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15 March 1984

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HAWKE PROPOSED INDUSTRY, TRADE CHANGES DURING JAPAN TRIP

To Reduce Protection

Melbourne THE AGE in English 4 Feb 84 p 1

[Article by Michelle Grattan: "Car Quotas To Go First: PM"]

[Text] **OSAKA, 3 Feb.** — The Prime Minister, Mr Hawke, indicated today that the vehicle industry was likely to be the first target of the Federal Government's plan for the progressive reduction of protection levels in Australia.

Mr Hawke proposes, on his return to Australia, to establish a special committee of Cabinet to oversee restructuring of Australian industry.

Speaking to Japanese businessmen in Osaka today, Mr Hawke, in effect, pledged the Government to reducing protection as the economic recovery proceeds.

He has added force to the argument he has been making in public comment since he arrived in Japan — that Australian industry must speed up restructuring now that economic recovery is here.

Mr Hawke said he appreciated people's fear of losing jobs as the result of technological and structural change and that they might demand that Government resist change.

"But if they do, they condemn themselves and their children to lower living standards and a diminished future," he said.

"It is clear Australia will have to move away from policies which have as their only focus the restriction of imports, and to introduce programs aimed to facilitate structural change and develop strong, efficient and competitive industries."

Peter Stephens in Melbourne reports that Mr Hawke's plans are

likely to face resistance from sections of the union movement which see lower protection as a recipe for higher unemployment.

Unions can argue that reducing tariffs conflicts with the summit communique and the prices and incomes accord. The accord is blunt in saying: "There is no economic sense in reducing protection levels in the midst of high unemployment."

The national employer group, the Confederation of Australian Industry, has warned against taking action on tariff and protection levels until the economic recovery is more firmly established.

The CAI's director (trade and tariffs), Mr Harris Boulton, said Mr Hawke's statements appeared to be based on the view that economic recovery was assured. "Recovery is by no means assured, although there are encouraging signs," he said.

The vehicle and manufacturing and components industry will provide the first test of the resolve of Mr Hawke and the Government. The Government last year set up a special industry council to consider what should be done after the present car industry plan runs out at the end of this year, but the council could not reach agreement.

Questioned after his speech in Osaka, Mr Hawke declined to predict what Cabinet would decide for the motor industry.

But he said its decisions would reflect "basically the thrust" of what he had been saying.

The proposed Cabinet committee on restructuring will include,

apart from Mr Hawke, the Treasurer, Mr Keating; the Employment Minister, Mr Willis; the Industry Minister, Senator Button; the Minister for Trade, Mr Bowen; the Foreign Minister, Mr Hayden; and the Education Minister, Senator Ryan.

Mr Hawke stressed today that any reductions in protection would be accompanied by programs to ease the pain of change for those directly affected.

Mr Hawke was sharply critical of the Car Industry Council, saying that consideration of the industry's future had not been greatly assisted by the study made by the industry itself.

He said that people in the industries concerned should be consulted early in any restructuring, that firms should undertake retraining, that the Government must emphasise adult training, and that there should be provision for relocation assistance. These were all measures recommended in 1979 by the Crawford committee. Mr Hawke was a member of this committee and it is clearly forming the basis for his rapidly evolving policy to make Australian industry more competitive.

Mr Hawke travelled from Tokyo to Osaka today by the Bullet train.

Mr Hawke tonight will stay at Kyoto and tomorrow morning will inspect the Katsura Imperial Villa. Kyoto is the former capital of Japan. Later tomorrow Mr Hawke will fly to Seoul to begin his visit to South Korea.

Further Statements

Melbourne THE AGE in English 4 Feb 84 p 14

[Article by Michelle Grattan: "Industry Changes Inevitable: PM"]

[Text] OSAKA, 3 Feb. — The whole community must collectively "shoulder" the burden of making structural changes in Australian industry, the Prime Minister, Mr Hawke, said today.

Mr Hawke said those "at the face of change" must not be asked to bear its costs alone. The costs and benefits had to be distributed equitably.

Delivering his most definitive statement so far on his intention to pursue vigorously a policy of industry restructuring, Mr Hawke emphasised:

● the inevitability of change, and the fact that now was a good time to promote it because economic recovery was under way;

● the fact that people must concentrate on the future benefits of change rather than its present costs;

● and the need for a consensus approach.

Mr Hawke told a business lunch here that the assumptions of Australian manufacturing industry policy were coming under closer scrutiny within Australia.

With more favorable economic conditions emerging, Australians could more confidently make the changes necessary for a more

competitive, export-oriented manufacturing industry.

He had been impressed in recent contacts with employers and unionists that many of them were strongly aware of the need for a fresh approach to industry assistance policy.

"The image of Australian employers and unions being implacably opposed to new approaches is quite wrong," Mr Hawke said.

He stressed that change should be gradual. "In this area there is much wisdom in the proverbial injunction 'to hasten slowly'," he said.

But there was no escape from it. "It is clear that Australia will have to move away from policies which have as their only focus the restriction of imports, and to introduce programs aimed to facilitate structural change and develop efficient and competitive industries.

"We believe there will be many examples where the emphasis on production efficiency could so strengthen Australian industry that imports would be restricted more effectively by newly-won competitiveness, than they could reasonably be by restrictions on trade," he said.

Steel was one example, and motor vehicles might be another, Mr Hawke said.

Mr Hawke said he fully appreciated that men and women faced with the possibility of losing jobs as a result of technological change and structural adjustment looked on it with fear and concern.

"Those same people, moved understandably by restriction of their own immediate self-interest, may demand of Government that they resist change and refrain from developing appropriate mechanisms for its accommodation.

"But if they do, they condemn themselves and their children to lower relative living standards and a diminished future.

"Technological change and consequent adjustments are inevitable. Not preparing for them now will only make worse the hurt felt when it comes."

Mr Hawke said it was important that there be a "broad national and industry based consensus" on applying new technologies and policies which made structural change feasible and acceptable.

Mr Hawke warned that a "defensive, inward-looking and stagnant manufacturing sector could hold back the growth of the whole Australian economy.

Statements, Reaction Analyzed

Melbourne THE AGE in English 6 Feb 84 p 11

[Commentary by Michelle Grattan: "After the Rhetoric, an Action Test for Hawke"]

[Text] **W**HEN you listen to Bob Hawke talking in public and private about industry restructuring, there is no doubt — as the Japanese Prime Minister, Yasuhiro Nakasone, might put it — that he is fair dinkum.

But in these things, as Malcolm Fraser found, it is the actions or

inactions, which count. When Mr Hawke and his Cabinet consider the future of the Australian car industry soon, they will confront an early test of all the grand rhetoric we have heard during the Prime Minister's Asian trip.

In one way, that test is coming a little too soon. Mr Hawke predicts that over the next year he can achieve consensus about the need

to restructure industry: the Cabinet is due to review the future of the car industry in the next month or so.

On the other hand, Mr Hawke will have the opportunity, if he decides to grasp it, for an early demonstration that he is serious about restructuring — and to confront one of the most delicate and complicated industry areas at a

time when his political strength, at least as measured by popularity is enormous.

Also, decisions made this year on the car industry would apply over eight years, phased in from 1985, so there would be adequate time to explain changes and implement policies to cushion whatever hurt might be involved.

If, however, Mr Hawke and his Cabinet discover some excuse to say, "we'll start that restructuring diet elsewhere, or later," rather than in this industry and soon, then they will lose much ground.

The rhetoric will have been counter-productive, building expectations which are not fulfilled, demonstrating a weakness of will, and so undermining the Government's position on the restructuring issue in the future.

Mr Hawke can expect a lot of support from media and commentators for the sentiments he has been expressing on this trip. Even now, that support is mixed with a certain scepticism about whether there will be follow-up action: the scepticism will turn to utter cynicism if the Government does not make a gesture on cars.

The grand strategy which Mr Hawke has signalled on industry restructuring is the most important domestic aspect of his Asian trip.

Mr Hawke is anxious that this strategy should not be seen simply in terms of protection policy, though that is the sharp end of the issue and will be the criterion on which the Government will be most readily judged.

Other parts of the strategy include encouraging industry and workers to accept new technology, promoting the emergence and development of new high technology industries, continued pressure to try to win greater access to markets abroad and more imaginative education policies, including retraining, which will make workers more easily able to move from declining to growth industries.

Also vital for the strategy's success, is a healthy expanding economy and a relatively good industrial-relations climate.

That means keeping the prices and incomes accord working as the economic recovery proceeds, although and lowering of protec-

tion would put some strain on that accord unless very successfully sold. Motor vehicles, together with clothing, footwear and textiles, are among Australia's most highly protected industries.

Mr Hawke has extensive personal experience to call on in this quest for industry restructuring.

He was, as he frequently reminds his audience, a member of both the Jackson and Crawford committees, appointed by the Whitlam and Fraser Governments respectively. This has given him a detailed knowledge of all sides of the issue.

The Crawford Committee urged restructuring when unemployment fell although it used the now quite outdated benchmark of five per cent.

Mr Hawke is drawing on the Crawford inquiry to make his point that change must be gradual and to highlight the sort of policies for adjustment when needed: extensive consultation, appropriate retraining, and assistance for those who must relocate to get new jobs.

Mr Hawke brings another sort of experience to these problems: he was ACTU (and ALP) president when the Whitlam Government slashed tariffs by 25 per cent in 1973.

In Mr Hawke's mind, that decision epitomised how a Government should not go about things. He was furious that he, as leader of the union movement, had not been consulted. "Get me (expletive deleted) Whitlam," Blanche d'Alpuget reports him yelling to secretary Jean Sinclair. Ms Sinclair, now part of the Hawke entourage in Asia, can now contrast his mood as he does things his way.

The psychology Mr Hawke is using is typical of the Hawke style of government.

He is convinced that in this, as in so many other things over the past year, he can persuade the community of the merits of his case.

His message is that Australians must move beyond immediate self-interest, which makes people fear restructuring because it threatens some jobs, and look to the future standard of living of

themselves and their children. Some pain is inevitable but it must be shared.

His speeches and comments during this trip are directed to creating a climate of opinion.

The Hawke philosophy is that "consensus building" can be applied in this area as much as it can to wages and the size of the deficit. It's a matter of conditioning people, getting them used to the idea.

Mr Hawke's tendency to corporatism has often been noted--he's impressed with the Japanese approach to economic development and with the lead given by the powerful Ministry for International Trade and Industry MITI in Japan's industry development. MITI stresses "information sharing" as a way of producing common perceptions of the problems and its solutions.

Unfortunately the performance so far in the car industry is not very encouraging for hopes of a consensus approach there.

The Government set up a car industry council, including both employers and unions, which could not agree on much at all except that it urged, in general, more protection.

Mr Hawke on Friday expressed his displeasure at this example of failed consensus when he noted sharply that the Government's examination of the industry's future "has not been greatly assisted by the considerations of the industry itself".

Since Mr Hawke's Japan speech, a new jarring note has also come from the union side. The Victorian secretary of the Vehicle Builders Union, Mr Wayne Blair, declared that reduced protection in the car industry would threaten 100,000 jobs, and suggested Mr Hawke was getting carried away by the camaraderie of the Japanese visit.

That immediate reaction shows what the Government is up against. After all, Mr Hawke has so far only given the mildest indication that he wants the decisions on the motor vehicle industry to represent "the thrust" of his argument in recent speeches.

Actual decisions would also have to run the gauntlet of Labor Premiers, who are sensitive about this highly regionalised industry.

One of the ironies is that impetus for the car industry review, which is looking at requests for action on the growing volume of imports of light commercial vehicles and four-wheel drives as well as the highly protectionist Fraser

Government plans for the motor industry post-1994, came in large part from the demands for more rather than less protection.

Any package produced by the Government could have to trade off some short-term increases in protection (compared with the Fraser plan) to get a tougher approach to restructuring later in the decade.

There's little doubt that there's a mood in Cabinet for a more daring policy on industry, including lower protection.

While unemployment is still extremely high, it is starting to come down — and in these times the di-

rection is more important than the absolute numbers.

The economic recovery is the strongest seen in Australia for 10 years. Employment has been growing extremely fast: 160,000 in the past eight months.

The unions remain generally benign. Mr Hawke retains his high credit rating with them. He has more room to move now than he might have if there is a renegotiation of the prices and incomes agreement at or after the next election.

Mr Hawke will probably never be in a better position to take bold decisions in industry policy than in the next few months.

Cartoon Parodies Business Reaction

Melbourne THE AGE in English 6 Feb 84 p 11



Opposition Criticism

Sydney THE SYDNEY MORNING HERALD in English 6 Feb 84 p 4

[Text] MELBOURNE The timing of the Prime Minister, Mr Hawke's announcement of changes in Australian industry which would cause job losses in the car and steel industries was morally wrong and politically disastrous,

the Opposition Leader, Mr Peacock, said yesterday.

Mr Peacock said Mr Hawke's decision to make the announcement in Japan rather than Australia under trade union scrutiny "lacked guts" and was deceitful.

"I have no quarrel with the long-term aim of wanting to make Australia competitive and I have been saying that for many years," Mr Peacock said.

"And I have no problem with plans that are laid down that lead

to eventual restructuring, as long as employees and unions know what that plan requires of them and they can plan it with some certainty."

Speaking at his home in Melbourne, Mr. Peacock said Mr. Hawke had either deliberately withheld the announcement affecting jobs in the motor vehicle and steel industries when he was campaigning recently, or had made an unusually sudden decision in Japan.

Mr. Hawke admitted in Japan that the changes he had forecast

for Australian industry would cost jobs and that the car industry would be first to be affected.

He said the Government wanted a motor vehicle industry whose industrial structure was "relevant to the region" when the industry plan expired at the end of the year and made it clear he wanted to lower protection for the industry.

"There is nothing wrong with thinking in the long term, but it is an absolute insult to tell Australians that they are going to lose jobs and to hear it second hand," Mr. Peacock said.

"I think he was being deceitful in not telling the people of Wollongong and Geelong, where he was campaigning, that they would be out of work."

Mr. Peacock said it would be highly unrealistic to say that Mr. Hawke's trip had been a success in view of the probability of increased unemployment in the steel and motor vehicle industries.

"It is very easy to make friends with another nation, but you ought not to be doing it at the expense of your own people," he said.

CSO: 4200/535

ARMY TO SCALE DOWN RESERVE FORCE

Sydney THE SYDNEY MORNING HERALD in English 6 Feb 84 p 11

[Article by Patrick Walters]

[Text] Canberra:--The Army wants to cut back the size of its reserve force to 30,000 soldiers by June 30.

The size of the Army Reserve has ballooned to more than 33,000 men, 3,000 over the establishment approved by the Federal Government.

A signal went out from Canberra on December 20 to all Reserve units telling them of the plan to get the numbers down through "wastage and controlled recruiting."

With the Budget allocation for the Army Reserve being based on a force of 30,000, the Army's resources have been stretched to the limit in coping with the additional manpower.

Now most infantry units will have to reduce their establishments to meet new ceilings set by the Army Office in Canberra.

Resignations from the Army Reserve last month were above normal, reflecting the Federal Government's Budget decision to tax 50 per cent of reservists' pay from January 1, 1984.

A total of 150 reservists decided to quit last month compared with a normal December wastage rate of around 20 personnel.

Four years ago, soon after the Soviet invasion of Afghanistan, the Fraser Government decided to boost the size of the Army Reserve from 22,000 to 30,000 by June, 1981.

A highly successful recruiting campaign followed and the 30,000 target was easily achieved. Since then the reserve has continued to grow as retention rates have been much better than anticipated.

Many Reserve units have waiting lists but the Army is still trying to build up some administrative and support units. Reservists are paid 80 per cent of a regular servicemen's pay and have to train a minimum of 26 days a year.

CSO: 4200/535

TREASURY REORGANIZATION DETAILED

Sydney THE SYDNEY MORNING HERALD in English 6 Feb 84 p 17

[Article by John Short]

[Text] The revamped Federal Treasury gets into full swing today with the return from leave of its head, Mr John Stone, and the installation of his new second-in-charge, Mr Bernie Fraser.

Mr Fraser, who was formerly head of the National Energy Office in the Department of Resources and Energy, takes on the Third Deputy Secretary position created last year following the Government's decision to considerably boost Treasury's power.

Signalling the Government's intention to introduce major tax reforms, the Government decided to upgrade the department's responsibilities in the tax area. This led to the creation of the Taxation and Industry Division.

And because of the decision in the early days of the Hawke Government to give the Treasurer, Mr Keating, responsibility for the vitally important prices and incomes policy the department has been given increased responsibilities in this area.

As a result Treasury has an additional new division known as the Incomes, Prices and Development Division.

Mr Fraser has been given responsibility for these new divisions.

In addition, Mr Fraser will take over responsibility for the Foreign Investment Division from another Treasury Deputy Secretary, Mr Des Moore.

Mr Moore will continue to have the Revenue Loans and Investment Division, which essentially covers Commonwealth-State financial relations and administers the Government's borrowing programs, and the Financial Institutions Division, which principally looks after the operations of the banks, insurance companies and non-bank financial institutions.

The other Treasury Deputy Secretary, Mr Dick Rye, will con-

tinue to retain responsibility for the two remaining divisions, the Overseas Economic Relations Division and the General Financial and Economic Policy Division.

The GFEP Division's econometric modelling and forecasting areas have also been given additional resources under the Treasury re-organisation following the establishment of the Economic Planning Advisory Council last year.

The top divisional and branch jobs — known formally as first assistant secretary and assistant secretary positions respectively — created by this shake-up have been filled by promoting existing Treasury officers.

The head of the Taxation and Industry Division, Mr David Morgan, was previously in charge of the now disbanded Resource Allocation and Development Division. Before that he ran the Fiscal and Monetary Policy Branch of GFEP.

And the new Incomes, Prices and Development Division is run by another former GFEP branch head, Mr Hyden. He was previously in charge of the economic branch in the GFEP Division.

The Taxation and Industry Division is made up of three branches: Personal and General Taxation (headed by Dr Ian McKenzie, who was previously Secretary of the Martin Inquiry), Business Taxation (run by Mr Sam McBurney, who headed the Taxation Policy Branch in the former Resource Allocation and Development Division), and Industry Policy (headed by Mr Brian Cassidy, who was formerly a senior officer in GFEP).

The two branches in the Incomes, Prices and Development Division are: Incomes and Prices (headed by Mr Robert Carling, who was formerly a senior officer in the Overseas Economic Relations Division) and Development (headed by Mr H N Johnston).

The Foreign Investment Division continues to be headed by Mr

George Proley and its Manufacturing and Finance Branch and Service Industries and Property Branch continue to be run by Mr Peter Tormey and Mr Geoff Carmody respectively.

The new head of the Foreign Investment Division's Policy and Development Branch is a former officer from the Industries Assistance Commission, Mr V. Konovalow, while Mr Horton-Stephens is to be replaced as head of Resources and Primary Industries Branch by Mr Robert Kerr. Mr Horton-Stephens is to go to the Asian Development Bank and Mr Kerr comes from OER Division.

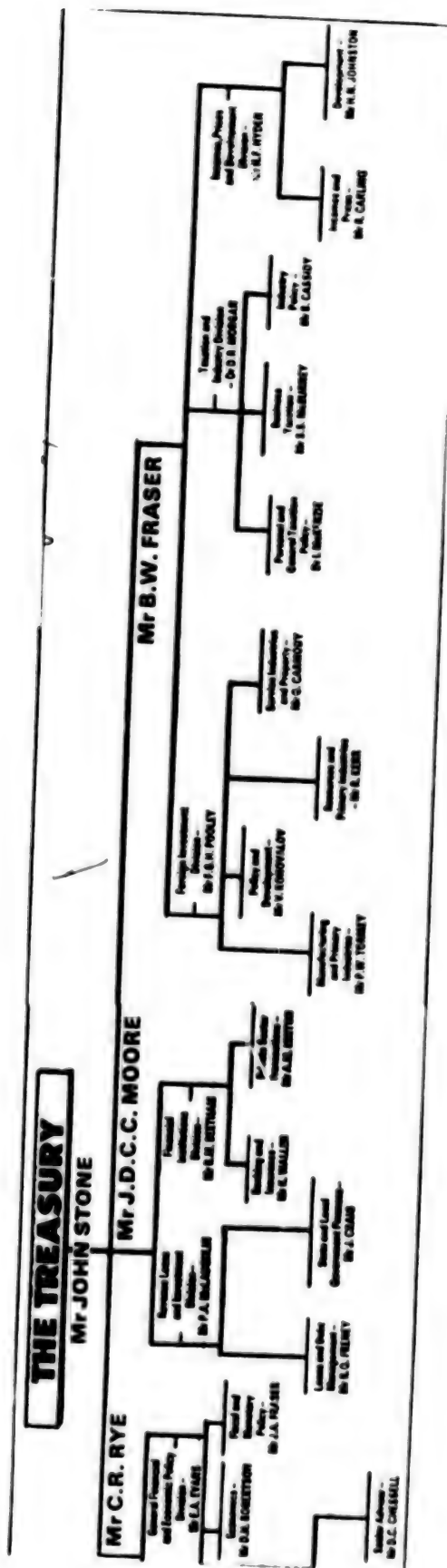
No changes have taken place in the Financial Institutions Division, but the Revenue Loans and Investment Division last year saw Mr Roger Freney take over the Loans and Debt Management Branch.

Shortly Mr John Craig is to transfer from the OER Division to run the State and Local Government Finances Branch, replacing Mr Watermann who is moving to GFEP Division to take up the newly-created position as principal adviser.

Mr Ted Evans continues to head up the GFEP Division. His Economic Branch head is Mr Robertson — who recently returned from Paris where he was a member of the Australian delegation to the OECD.

The division's Fiscal and Monetary Policy Branch is now headed by Mr John Fraser following a recent transfer from the Policy Branch in the Foreign Investment Division.

A vacancy has been created in the Overseas Economic Relations Division because of Mr Craig's transfer, while another will arise shortly following the decision to appoint the head of the International Development Finance Branch, Mr Gary Potts, to the top Treasury slot in Australia's Tokyo Embassy. Mr Potts was formerly an Assistant Secretary in the Finance Department.



CABINET WANTS SEPARATE FORCE TO GUARD PINE GAP, OTHER POSTS

Melbourne THE AGE in English 4 Feb 84 p 3

[Article by Ken Haley]

[Text]

CANBERRA — The Federal Government has decided to take away from the Federal Police the role of guarding foreign defence bases and information classified as secret.

Cabinet has decided but has not announced that in October it will seek to create a separate protective security force under the Public Service Act. The force will replace the 700 police now guarding about 20 security establishments around the country.

Federal Police officers to whom 'The Age' has spoken are concerned that the change from police to Public Service sentries could endanger national security by lowering the standard of protection at installations, including Pine Gap, North-West Cape, the Lucas Heights nuclear research establishment near Sydney and the Omega base in Gippsland.

A spokesman for the Special Minister of State, Mr Young, said in Sydney last night that Cabinet believed the transfer of protective service duties to a new guarding service "would lead to an increase in the quality of service provided by Federal Police and by the new guarding service."

He said Mr Young intended to consult fully with the Australian Federal Police Association on the terms and conditions of their transfer to general duties or the new body.

The national secretary of the Police Association, Detective Sergeant Pat Curtin, told 'The Age' that having police guards in some areas was "very important to national security." He would seek clarification of the question whether some guard duties would remain with police when he meets Mr Young, possibly on 1 March.

Detective Sergeant Curtin said he would also be pressing Mr Young for assurances concerning the Government's intentions towards protective service members. "Morale's not very good at the protective service level because of this uncertainty about their future in general. Morale's not very good among the uniformed officers because of a manpower shortage."

In a letter to Detective Sergeant Curtin on 23 December, the then Special Minister of State, Mr Beazley, said: "The Government has agreed that... the functions of the protective service component will be transferred from the Australia

lian Federal Police to a new guarding service which will be established within the department. The members of this new service will be employed under the Public Service Act." He said the starting date would be 19 October this year, the fifth anniversary of the formation of the Federal police.

Mr Beazley told Detective Sergeant Curtin: "Those members of the protective service component who do transfer to the new service will do so on comparable terms, conditions and salaries to those they currently enjoy."

Mr Beazley said the Prime Minister, Mr Hawke, had still to determine which Minister would be responsible for the new group.

"Until these processes have been completed I do not propose to make the Government's decision public and would ask that the police association treat this letter as being in confidence until that time."

Cabinet's decision is still subject to Caucus ratification.

Mr Young and Mr Beazley, who piloted the proposal through Cabinet, have made it clear that all of the guard work will be taken over by civilians.

EDITORIAL SUPPORTS CONTINUED FORCE IN SINAI

Melbourne THE AGE in English 4 Feb 84 p 11

[Editorial: "Why We Should Stay in Sinai"]

[Text]

AS the Australian Government considers the request of Israel and Egypt to renew its commitment to the Sinai peacekeeping force, the Foreign Minister, Mr Hayden, will be aware that he has very little alternative. In the short term at least, it is clear that a withdrawal of the contingent would contribute uncertainty to the one peace agreement in the Middle East that is actually working. No nation sincerely seeking reconciliation in a grossly unstable region could possibly wish to do that. But the issue is not quite as simple as it may seem, either in terms of the Israeli Government's behavior since the Sinai accommodation came into effect or of Australian Labor Party policy. The argument for staying on in the desert appears to be at its most vulnerable when critics point out, not entirely inaccurately, that the peacekeeping force gave the then Israeli Prime Minister, Mr Begin, and his Defence Minister, General Sharon, the freedom to invade Lebanon, with dramatic consequences for the region.

Yet to accuse Australia of sharing some kind of indirect responsibility for the war is to say, in effect, that the Camp David accords are a waste of time. Australia, in doing its best to vouch secure the border between Egypt and Israel, cannot be linked to the wilder decisions of a Government notoriously averse to accepting even the advice of its patron, the United States. The thesis is specious. More troublesome for Mr Hayden and the Prime Minister will be the task of reconciling the Australian military presence with the ALP platform. The caution with which opposition to participation was

written into policy was understandable at the time, but an examination of the contingent's experience over the past two years shows that many of the grounds for concern no longer exist. No apparent harm has been done, for example, to Australia's economic interests in the Arab world or to its potential for influencing the course of political debate. Neither is there any indication that the United States, as it was once feared, would want to use the peacekeeping force in association with a rapid deployment group for regional emergencies. Physical risk, moreover, has proven to be minimal for the Australian military men involved.

In the light of these developments, the Labor Party would do well to reconsider its official stance. The key to the exercise lies in understanding that Australia's role in the Sinai is symbolic both of this country's desire for peace in the Middle East and of its relationship with the United States as the senior partner in the monitoring force. Australia is simply one of a number of responsible Western nations accepting the moral obligation to try to preserve the only peace process currently in operation. With the rehabilitation of Egypt in the moderate Arab world, a split at last in the Palestine Liberation Organisation, and the discovery by King Hussein of new interest in the Palestinian cause, it is a process that, with American help, could lead to significant progress towards some kind of comprehensive settlement. The chance of a broad peace may seem impossibly remote. But can we afford to dismiss it for the sake of bringing home a hundred men and their helicopters?

BRIEFS

SOLDIERS ASSAULT MAJOR KAREN BASE--Mae Sot, Tak--Fierce fighting continued yesterday as Burmese troops stormed the Karen rebels' Maw Po Kay camp opposite Tha Song Yang District. About 2,000 Burmese soldiers took part in yesterday's assault against the major Karen base. The rebels reportedly put up very stiff resistance despite three successive days of heavy Burmese artillery barrage. Rangoon radio monitored in Mae Sot yesterday announced that Burma intended to capture all the Karen bases along the Thai border. But the Burmese failed in their attempt to seize the Maw Po Kay camp again yesterday. Their failure was due partly to yesterday's bad weather. Heavy rain reportedly crippled Burmese planes which earlier helped the ground troops greatly by pinpointing Karen positions during the attack. Field sources said they doubt that the Karens would be able to defend the camp once the weather clears up. [Text] [BK020627 Bangkok BANGKOK POST in English 2 Mar 84 p 1]

CSO: 4200/574

PROFILE OF KH ACHMAD SIDDIQ REPORTED

Jakarta PELITA in Indonesian 14 Jan 84 p 5

[Article by Oemar Harijanto: "KH Achmad Siddiq"]

[Summary] KH [Honorable Pilgrim] Achmad Siddiq, one of the "shining stars" of the NU [Moslem Scholars Party] Alim-Ulema Conference and member of the NU PB [Executive Board] Advisory Committee, was born in Jember in 1926, the year the NU was established. He is the youngest child of KH Mochammad Siddiq (deceased), who was a contemporary of KH Hasjim Asjari, NU founder, and proselytized Islam in Jember.

KH Hasjim took a liking to Achmad as a young man and with KH Wachid Hasjim took over his training, including leadership training and commitment to the Islamic community. He became a student at the Tebuireng Jombang Muslim Boarding School. Under KH Wachid he displayed leadership qualities, proved to be intelligent and to have a propensity for penetrating analysis. He had a gentle nature, was industrious, and in the 1940's he became a member of Wachid's personal staff.

During the independence revolution, he joined the Hisbullah [Army of Allah Masyumi Armed Force of West Java] Mujahidin [fighters] Corps. In 1946 he moved from Jember to Tulungagung, and in 1949 returned to his native hamlet where he began to participate in Nu mass organizations.

His career prospered and at age 28 (in 1954) he was offered the position of secretary general of the NU PB. In 1955 he became a member of parliament, where his reputation grew.

At this time, one of his aims was to make NU a "Rohmatan Lilalamin [mercy for those who know]" organization. In addition, according to him, an Islamic fighter was someone who had wide knowledge, mixed well with other people, held firmly to his views while he yearned to express himself and behave in terms of "Islamic brotherhood."

In his day-to-day activities, Achmad followed in his father's footsteps as head of the "Assiddiqy Putera" Religious Training Boarding School in Jember. As a teacher he attracted a great deal of attention for lecturing on Muhammed's struggle and role in society, in the country, and on other matters.

He was also interested in educating his extended family which included nieces and nephews whom he considered as his own children. Many of them now hold important positions such as university docents.

In 1958 Achmad became consul of the East Java NU, chief of the residency KUA [religious education office] in Besuki and KUA chief in Jember. In 1966 and 1967 he was chief of the East Java KUA.

He delivered the NU Party's denunciation of the PKI [Indonesian Communist Party] 30 September 1965 savage betrayal [the abortive coup] on Radio Indonesia in Surabaya.

In 1967 KH Achmad Siddiq was elected chairman of the East Java NU PB and in 1971 he represented this organization at the Level I provincial assembly of East Java. It then became increasingly clear that he was an ulema who had ideas on matters of state, politics, economics and similar matters.

At the NU Congress held in Semarang in 1979 he formulated the NU plan on returning to the spirit of 1926. This was followed by a paper that expanded on these views which was presented at the NU National Congress held in Situbondo in December 1983 where the Pancasila principle was discussed.

Many persons judge KH Achmad to be a superior person. He is an avid reader, he reads books ranging from those on philosophy, religion and scientific works related to state matters such as economics and population, history, and politics.

He has actively pursued the duties of an ulema. He has proselytized or lectured on the Islamic religion even in remote areas and has worked to develop young people.

As an ulema he is equally comfortable when dealing with intellectuals or with the common man, all of whom he touched personally and to whom he gives food for thought. He is farsighted and organizes his lectures scientifically and conceptually.

Achmad is considered to be a moderate though principled ulema. He defends his ideas stubbornly but is willing to accept the views of others as long as they do not conflict with Islamic beliefs or principles to which he holds firm. He is, therefore, respected by everyone, including local officials.

Many persons judged Achmad to be a philosopher ulema and leader who always wants to clear the air.

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CSO: 4213/154

PROFILE OF LT GEN (RET) KEMAL IDRIS REPORTED

Jakarta TEMPO in Indonesian 14 Jan 84 pp 78,79

[Article: "Man Who Controlled Demonstrators During the TRITURA Period"]

[Summary] Ahmad Kemal Idris was born in Singaraja, Bali. His parents were a strong influence, and from early childhood impressed on him the need for honesty, courage, justice, frankness, and firm views. His mother wanted him to be a "winner" but not by "playing dirty tricks."

His father, Doctor Idris, a veterinarian, set him an example for fighting against injustice. While studying at the Stovia Medical School, his father had a confrontation with a caucasian docent, and then transferred to the Veterinary Faculty in Bogor. His father also had been an activist in the national movement, PARINDRA [Greater Indonesian Party] until he was exiled to Kupang and Makassar.

Kemal's father apparently implanted a feeling of hatred toward colonialists in his child. Therefore, when the Dai Nippon Army entered Indonesia and promised the people their independence, Kemal joined the volunteer Seinendan troops. When in training he was selected to be assistant instructor. Those who joined these forces with him included Jonosewojo, Daan Mogot, and Zulkifli Lubis.

When Indonesia was liberated, Kemal and his friends established a military academy in Tangerang (West Java) with Daan Mogot as its first director. Graduates of the academy were commissioned by General Sudirman, commander in chief, with the rank of first lieutenant. At that time, armed rebellions began to break out. Kemal, who headed a battalion, attempted to seize a former Japanese weapons storage facility in Serpong. Kemal's career as a soldier grew out of various battles.

In 1947 he married Herwienoor (daughter of Meester Singgih, member of the Volksraad [Peoples Council]) and subsequently fathered three children. The following year, when the Dutch army was trying to reenter Indonesia through armed aggression, Kemal was a member of the Siliwangi Division and had to accept the bitter decision of the 1946 Linggar-jati Conference [the conference was held under British auspices so that British troops could leave Java; the Dutch recognized de facto republican jurisdiction over

Java and Sumatra; an agreement was also reached on establishing a federal United States of Indonesia within a Netherlands Indonesian Union]. The Indonesian republican army had to be cleared from certain regions.

Kemal was assigned to head the first Siliwangi troops to be evacuated. After skirmishing with Dutch troops as they moved toward Cirebon and then south toward Gombong, Kemal and his troops, in rags and with few weapons, arrived in Yogyakarta, then capital of the republic.

When the PKI [Indonesian Communist Party] rebellion broke out in Madiun on 19 September 1948, Kemal was promoted to commander of Battalion I, Brigade I, of the Siliwangi Division. Along with other troops his battalion was ordered to annihilate the rebels. To surround Madiun, Kemal and his men moved northeast toward Kudus, Pati, and Cepu. It was in this area that Kemal witnessed PKI atrocities, the memory of which clung to him all his life.

When the rebellion was almost put down, Kemal and his troops pulled back to Yogya through the limestone mountain range in the Purwodadi region. It was here that they received the surrender of Amir Sjarifuddin, former prime minister, and his men who had participated in the rebellion.

While the republic was being established in the 1950's, the existence of sharp differences of opinions created a situation in which a cabinet could easily fall. The national situation became unstable. Many military leaders, including Kemal, were unhappy with the weakness of the civil government. Some senior officers then demanded that President Sukarno dissolve Parliament. It reached the point where cannons were directed at the President's Palace. This became known as the "17 October 1952 Affair," the leaders of which were Zulkifli Lubis along with Kemal.

For his involvement in this affair, Kemal was "compartmentalized" by Sukarno, holding no post, getting no promotion. Only in 1963 was he "used" again as deputy to then Major General Suharto, commander of the Mandala [West Irian Theater of Operations] Command during the operation to retake West Irian from the Dutch. In that year he was also promoted to commander of the Garuda III Battalion (UN peacekeeping troops) in the Congo where he stayed for a year.

On return from the Congo, Kemal again attracted the attention of Suharto who assigned him to KOSTRAD [Army Strategic Command]. He prepared troops in Tebingtinggi, North Sumatra, for the attack of Malaysia in the context of the "confrontation" with Malaysia.

However, the confrontation proved to be a diversion for the PKI's 30 September 1965 abortive coup in Jakarta, and Kemal and his troops were ordered back to Jakarta to put down the PKI.

In August 1966, the army held a seminar in Bandung from which the ABRI [Indonesian Armed Forces] dual-function concept emerged. This provided an opportunity for military leaders to participate in civil activities. Kemal was disappointed in the way its implementation diverged from the initial concept, but when demanded, changes were made in the way the concept was being carried out, as it is at present.

Also on 10 January 1966 in Jakarta, prior to the inception of the New Order, Brig Gen Ahmad Kemal Idris, KOSTRAD chief of staff, then 60 years old, called out his troops to control the demonstrations of KAPPI [Indonesian Youth and Students Action Front] and KAMI [Indonesian College Students Action Front] and to prevent bloodshed.

Kemal was promoted to KOSTRAD commander in 1967, replacing General Suharto who became acting president of Indonesia. To assist Suharto, Kemal met routinely with the commanders of Military District Commands V, VI, VII, VIII and the RPKAD [Army Paracommand Regiment] commander and reported back or made recommendations to Suharto. This was misunderstood, and Kemal and the commanders of these units were accused of trying to "control" Suharto and "guiding" the government. Therefore, the meetings with all-Java commanders were held for only 1 year.

Kemal Idris ended his military career as a commander of the Defense Territorial Command IV responsible for the defense of the eastern portion of Indonesia, with the rank of lieutenant general. He held this post until 1972.

He was assigned as ambassador to Yugoslavia during his pre-military retirement period until 1976. Thereafter he entered private life.

As a civilian in 1978 in Jakarta during one of the ceremonies commemorating TRITURA [People's Three Demands], which was at the heart of the 1966 student demonstrators' struggle, Kemal appeared on the campus of the University of Indonesia Economic Faculty and spoke with his usual frankness, without incident.

As a civilian, Kemal owns a hotel company which he started from the bottom without requesting any special facilities or dispensations. He also owns three restaurants (one in Blok M, two in Rawamangun, Jakarta) and manages three hotels; the Tiara (in Medan), the Swarandwip (in Palembang), and the Bali Sanur Bungalow. He also owns a "cleaning service" and is an importer and supplier of restaurant and hotel needs to a number of establishments. He manages these activities from his office and home on Anggur II Street, Cipete [Jakarta], since he sold his home in Menteng. His wife has also opened a self-service restaurant not far from the KONI [Indonesian National Sports Committee] building in Senayan.

In his free time, Kemal jogs, a substitute for tennis, as permitted by his doctor after Kemal was hit in his right eye by a tennis ball. Earlier he liked to ride horseback and water ski because these sports "provided a challenge" and some risk. He was a two-time champion in a water skiing competition for veterans in South Sulawesi when he was territorial commander.

INDUSTRIAL EXPORT TARGETS FOR 1984-1985 OUTLINED

Jakarta KOMPAS in Indonesian 15 Dec 83 p 2

[Text] The export target for nonpetroleum industries for 1984/85 is \$3.5 billion. Of that total, \$1.7 billion will come from lumber exports.

Minister of Industries Hartarto stated this in his address to the lumber industry's national conference in Jakarta on Wednesday [14 December].

According to Hartarto, the industrial export program will not be drawn up until next year. "In addition, the Department of Industries will draft a program for needed industrial products which cannot meet domestic needs. We will try to find a trading formula for those products," he noted.

Meanwhile, several KOMPAS sources in the Directorate General of Miscellaneous Industries said that the export target for miscellaneous industries is \$2.5 billion; the target for basic metal industries is \$527 million; and the target for the chemical industry and [other] small industries is \$171 million each.

Advantages

The minister said his department was preparing a \$15 billion project to support the national installed capacity of industries.

Hartarto urged investors to use the existing national capacity. The use of the national capacity must be supported by marketing. The government is gradually reducing dependence on imports, from raw materials to machinery. This is to project the market for domestic products.

Increase in industrial production must be supported by development of various industries linked to design and construction. At present, several industrial products are still dependent on [the use of] foreign machinery, such as [machinery from] South Korea and Taiwan.

Hartarto said the role of the private sector in industrial development is very great. Because of that, the government will create the best possible climate for domestic businessmen. Some steps to create such a business climate have already been taken, such as the abolition of industrial development fees, and the forthcoming completion of the Basic Industries Act.

In addition, domestic industry must be given a fair and effective system of protection. This can be done by imposing a reasonable tariff system on imports, and regulating imports with an effective import quota.

Potential

In addition to the existing policy for general industrial development, in PELITA IV [fourth 5-year plan], special attention will be given to industries that can make use of domestic resources. This will also be aimed at the export program.

According to Hartarto, the industries in question include those for processing agricultural products, sea products including salt, mining products, aluminum, ceramics, glass, cement, lumber and forest products, fertilizer, ammonia, and petrochemicals.

The targets for the development of the lumber industry in PELITA IV are aimed at meeting domestic needs, especially for housing, and also to increase foreign exchange earnings through the export of various commodities.

The minister said that in 1982/83, the lumber industry had an installed capacity to produce 3.3 million cubic meters of plywood; actual production was 1.9 million cubic meters. Demand was around 4.4 million cubic meters.

The sawmill industry had an installed capacity of 13.5 million cubic meters; actual production was 7.7 million cubic meters, and demand was 15.4 million cubic meters.

The furniture component industry, with an installed capacity of 1.1 million cubic meters, produced 0.8 million cubic meters of wood. Demand was 1.2 million cubic meters, consisting of logs and processed wood.

9197

CSO: 4213/121

TRANSMIGRANTS IN SOUTH ACEH THREATENED BY FOOD SHORTAGES

Jakarta SINAR HARAPAN in Indonesian 14 Dec 83 pp 1, 12

[Text] A number of transmigrants in Subulus Salam Regency, South Aceh, have been forced to leave their homes during the past 2 weeks. This is because a food shortage has begun to threaten their lives as a result of infertile land, and an unusually severe attack of wild boars and rats.

Waves of transmigrants have left their homes and returned to their original areas of Java. The first wave of 15 transmigrants left the Subulus Salam transmigration project on 27 November. The second group of 31 tried to leave on 8 December, but were held back by local transmigration officials.

Reports received by SINAR HARAPAN on Tuesday [13 December] said that the departure of more transmigrants will definitely take place soon if the government does not immediately take steps to solve the problem.

In general, transmigrants leaving their new areas are doing so not only because of the land and wild boar problems, but particularly because of the end of the rice and salted fish rations.

SINAR HARAPAN tried repeatedly without success on Tuesday to contact the chief of the Regional Transmigration Office for Aceh Special Region. According to an official who answered the phone, the chief was out. Another official refused to give any information about the departed transmigrants. "Ask the chief; he is still in his office," the official said.

Thick Peat

Previously, in August 1983, 220 transmigrants left their homes in Subulus Salam because the land assigned to them was full of peat and was not suitable for farming.

A report from a special committee of the Aceh legislature which made a field study in July 1983 indicated that thousands of transmigrants living in Subulus Salam would suffer food shortages if their problems of land and guaranteed livelihood were not addressed.

Meanwhile, H. Ayib Rughbi, director general of Management and Development in the Department of Transmigration, who attended the inauguration of the chief of the Aceh Regional Transmigration Office on 20 September, told the press that the land problem of Subulus Salam transmigrants would be settled quickly.

DELAY IN TEST FLIGHT OF NURTANIO'S CN-235 EXPLAINED

Jakarta KOMPAS in Indonesian 14 Dec 83 pp 1, 12

[Text] The prototype of the CN-235 aircraft, co-produced by Spain's CASA and Indonesia's Nurtanio, and built by Nurtanio in Bandung, will be flight tested between 20 and 29 December. The 11 November flight test of the CASA-manufactured prototype in Getafe was "a success, and very good." As of last Monday [12 December], the Spanish-built CN-235 had logged 15 flying hours.

According to information, the delay in the flight testing of the Nurtanio-built aircraft was not due to technical structural factors, but because the aircraft had been undergoing careful ground testing since its 10 September roll-out from the hangar. Nurtanio adopted this posture because it feels it lacks experience. "Particularly since this is a national project, everything has to be done carefully," Nurtanio marketing manager Paramayudha told KOMPAS in Jakarta on Monday [12 December].

He stressed that this caution was necessary, since if something untoward happened, not only Nurtanio's name would be besmirched, but also that of CASA, which has an international reputation. Therefore, the functional test of all working parts in the Nurtanio-built CN-235 aircraft has been carried out with particular care.

In addition to the experience factor, Paramayudha added that a vibration test was needed before flight testing. A further complication is that this test equipment is only available in Europe and Canada. This equipment is very expensive; thus, both CASA and Nurtanio only rent it.

CASA rents vibration test equipment from France's Onera, and Nurtanio from the Netherlands' NLR [National Aeronautical and Astronautical Research Institute]. The French test equipment can be dispatched to Spain quickly, which accelerated the testing process prior to the 11 November flight test. Meanwhile, the NLR equipment is still enroute to Indonesia; it is expected to arrive in Jakarta this week.

Bandung and Jakarta

If all goes well, the Nurtanio-built CN-235 will be flight tested at Bandung between 20 and 29 December. Further testing of specified maneuvers will be held at Jakarta's Kemayoran Airfield.

Paramayudha noted that the flight testing in Bandung would include takeoffs and landings, and taxiing.

KOMPAS learned from another source that the CASA testing included /hopping/, [word within slantlines italicized in original] that is, as soon as the wheels leave the ground the plane immediately lands again. Reportedly, an Indonesian pilot was aboard the test plane as an observer at Getafe. One of the turboprop GE CT 7-7 engines died, but the aircraft proved it could continue to fly perfectly. The malfunction of the engine was, of course, outside of the test plan, but it made simultaneous testing [of flight] with one dead engine possible.

Another unplanned but successful test occurred when the aircraft made a flawless landing at Madrid's Getafe Airfield after a flap jammed. A vibration problem has not yet been corrected, however.

Paramayudha said CASA told him that the Spanish test pilot expressed satisfaction with the stability of the aircraft.

Test Pilot

In Jakarta, the CN-235 maneuvers will include altitude and rate of climb [tests]. Because the aircraft prototype has telemetric equipment, it may not be necessary for the aircraft to practice many takeoffs and landings.

The telemetry equipment will automatically send data to a computer on the ground for immediate analysis and the results will be available as soon as the aircraft lands. Prior to the use of the new equipment, data from a flight test were not analyzed until after the aircraft landed. The second test flight of the aircraft will take approximately 1,000 flying hours.

The test pilots for the Indonesian-built prototype will be from CASA, and from West Germany's MBB [Messerschmitt-Bolkow-Blohm]. This is because there are no Indonesian pilots yet who meet Federal Aviation Administration (FAA) requirements, although the FAA will certify the aircraft.

Paramayudha stressed that "this does not mean that we are incapable of flying the aircraft." An Indonesian pilot will participate in the first 4-hour flight test of the aircraft.

Denial

Responding to a KOMPAS question, Paramayudha strongly denied that the Nurtanio-built prototype had encountered abnormalities. According to information obtained by KOMPAS from international aviation circles, the wing of the aircraft had undergone a dangerous buckling, and a foreign test pilot had requested that this be corrected.

Paramayudha clarified that what the pilot had asked for was an emergency exit, in case of unexpected events.

The Spanish CN-235, according to Paramayudha, could not have flown if anything like that had happened. If it had happened here, it would have happened to its twin in Spain. "The CASA aircraft has proved it can fly well," he said, displaying a photo of the CN-235 in flight in Spain.

SUDHARMONO DENIES PRESIDENT WANTS TO MAKE PANCASILA 'JAVANOLOGY'

Jakarta KOMPAS in Indonesian 14 Dec 83 p 1

[Text] Minister of State and State Secretary Sudharmono, SH [Master of Laws], denied the assumptions of those who say President Suharto wants to make Pancasila "Javanology." "This assumption grew out of a speech he [the president] made to PEPABRI [Association of Retired Indonesian Armed Forces Personnel] on 26 July, which linked Pancasila to the teachings of our ancestors," Sudharmono told the second national conference of the Indonesian Government Employees Corps (KORPRI) in the Manggala Wanakbati Building in Jakarta yesterday [13 December].

The minister explained that Pancasila and P4 [Guidelines for Experiencing and Implementing Pancasila] are derived from Indonesian soil, that is, the teachings of our ancestors. Because the president happens to know the teachings of Indonesia's forbears in Java, he links them with Pancasila. "Possibly other areas have similar teachings," said Sudharmono.

According to Sudharmono, human beings did not emerge out of nowhere, but are created by God and will return to their creator. Because of this, men must do good on earth, because they do not live only on earth. To be able to return to their creator, men must always strive to do good while on earth.

These teachings, Sudharmono noted, are found in Javanese philosophy regarding world view, and efforts to perfect life.

Sudharmono explained that in the view of President Suharto, if the Indonesian people can practice those teachings as closely as possible, they can practice Pancasila.

Sudharmono stressed that what President Suharto said was meant to demonstrate that Pancasila as the ideology of the state grew out of the Indonesian soil. The Indonesian people cannot use another ideology, like communism or liberalism, he said.

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CSO: 4213/121

REDUCTION IN USE OF FOREIGN WORKERS PLANNED

Thirty Percent Reduction

Jakarta KOMPAS in Indonesian 5 Dec 83 p 12

[Text] Minister of Manpower Sudomo has stated that the number of foreign workers in Indonesia will be reduced by 30 percent in the 1984/85 year and that the reduction will be continued until all foreign workers are phased out. There are now about 13,000 foreign workers in Indonesia.

The minister spoke with reporters on Saturday [5 December] following a ceremony marking the completion of an oil drilling course by the fourth class to attend the course. The course is given at the Oil and Natural Gas Technological Development Center (PPTMGB) of the Oil and Natural Gas Institute (Lemigas) in Cepu.

The minister said that he will meet this week with officials from Immigration, the National Police, the State Intelligence Coordination Agency (Bakin) and several technical departments of the government that are involved in the handling of foreign workers, and that in their talks they will try to establish a coordinated method for the handling of foreign workers under one roof.

He said that subsequently the final decision on the granting of entry permits for foreign workers will be made by the minister of manpower, that the evaluation process leading up to the final decision will be made under one roof, and that each technical department of the government should complete its planning on the number of foreign workers that will be under its supervision.

Not Opposed

The minister said that the government of Indonesia is not opposed to foreign workers because in the present phase of development foreign workers and foreign investment are still needed, particularly in the oil sector.

He said that Pertamina's problems with foreign workers are the result of its contracts with foreign companies. Citing as an example a subcontractor in Singapore who provides services, he said that this problem will have to be handled in a way that will ensure that the positions now held by the subcontractor's employees are eventually filled by Indonesians.

The minister again appealed to Indonesian companies that are involved in joint ventures with foreign companies to show a more nationalistic spirit. "If Indonesian companies have a nationalistic spirit, the problem of foreign workers will not arise," he said.

Absolute Necessity

In the ceremony marking the close of the drilling course, the minister declared that the Indonesianization program in the oil and gas sector is an absolute necessity.

He appealed to businessmen, and particularly to oil and gas contractors, to meet their responsibility of training Indonesian workers and preparing them to replace foreign workers.

The drilling course was attended by 20 students and was presented jointly by the Oil and Natural Gas Training and Education Tax Team and the PPTMGB of Lemigas.

Prof Wahjudi Wisaksono, the head of the PPTMGB, said that the students come from all parts of Indonesia, that they are all university graduates with bachelor's degrees in engineering, and that they were selected by drilling contractors to come to Cepu.

Extensions To Be Abolished

Jakarta KOMPAS in Indonesian 9 Dec 83 pp 1, 9

[Text] Minister of Manpower Sudomo has told newsmen that new directives covering the procedure to be followed in granting entry permits to foreign workers will soon be issued, and that the 2-year extensions that have been frequently granted to foreign workers in the past will be discontinued.

"I will eliminate the extensions. I will abolish them," he declared. The minister commented on the extensions after emerging from a coordination meeting on foreign workers with officials from the Capital Investment Coordination Agency (BKPM), Immigration, the Security and Order Restoration Command (Kopkamtib) and Bakin. The meeting was held at the Department of Manpower on Thursday [8 December].

Two procedures have been used in issuing permits to foreign workers. Under one procedure, an application is submitted to the BKPM and this agency issues a permit in the name of the Department of Manpower. The permit is then then forwarded to Immigration, which checks the worker's passport and the length of time he will reside in Indonesia. Security matters connected with the entry of foreign workers are supervised by Immigration in cooperation with Bakin. This procedure will continue to be followed under the new regulations.

Under the other procedure, application for a permit is made to a technical department of the government. After the department issues the permit it is forwarded to the Department of Manpower and Immigration. These permits can

be issued by national and regional offices of the technical departments. Under the new regulations the technical departments will be required to submit the permits to the BKPM before they go to Immigration and the Department of Manpower, that is, the permits do not go directly to Immigration and the Department of Manpower but must go through the BKPM.

Types of Violations

The minister said that at some time in the future the regional offices will not be permitted to issue permits for foreign workers. "All permits for foreign workers will have to be issued at the national level," he said.

Describing the types of violations in which foreign workers are involved, the minister said that some come in on a visitor's visa, or as tourists, for whom there is no visa requirement, and then take jobs in Indonesia. There are also many companies that do not observe the BKPM's regulations in that they employ more than their allotted number of foreign workers, or the BKPM may direct that the foreign workers must be from country A but the company brings the workers in from country B.

Minister Sudomo said that because of the large number of violations it has been decided that applications for permits must go through the BKPM and that the Department of Manpower will supervise the permit issuing process. He also asked members of the public who know of violations to write to the national or regional offices of the Department of Manpower in care of PO Box 555.

The minister said that the new regulations will direct government and private organizations that want to bring in foreign workers to include their manpower planning requirements in their permit applications. Their manpower plans will certainly include their need for foreign workers, for example, how many are needed and within what time frame. They must also describe their transfer of technology and Indonesianization programs. For example, they can say that the foreign workers must be replaced within a period of 2 years and that the foreign workers must train the Indonesian workers who will replace them.

Private Businesses Commended

When the minister was asked if the new procedures would not create a very bureaucratic situation and if he could guarantee that they would expedite the issuance of permits, he replied, "I will guarantee that they will expedite it and I will set a time limit for the issuance of permits. The granting of permits is a business service, and in business the principle of 'time is money' is observed. Consequently, in supervising the permit issuing process, attention will be given to speed and also to the prevention of illegal payments."

The minister said that he recognized that it was very important to guarantee that the issuance of permits would be expedited, particularly in the case of private companies. "The private businesses are heroes to me because they are able to create their own jobs even though they often receive no assistance

from the government. And I am speaking of sidewalk and newspaper vendors too. They are better than the ones that are always demanding jobs from the government," he said.

There are more than 18,000 foreign workers employed in capital investment projects in Indonesia. Government projects employ 8,029 foreign workers, the majority, or 3,095, in the forestry sector, 1,108 in the industrial sector, and 1,044 in the basic metals sector.

Prudence Needed

Surabaya SURABAYA POST in Indonesian 10 Dec 83 p 6

[Editorial: "Foreign Workers"]

[Text] The use of foreign workers will be tightly restricted, their work permits will no longer be extended, and a number of foreign workers of questionable status already have had their work permits cancelled.

These are appropriate measures, but they must be carried out with prudence. We must avoid giving the impression that we are antiforeign. We must avoid effects that could be damaging to us, and particularly to the transfer of technology and even to our efforts to learn more about work productivity and efficiency. For it must be recognized that, in addition to being underdeveloped in our technology, we are also underdeveloped in our mental attitude toward productive work, and this factor is as important as any other in our efforts to promote national development.

We must also honestly determine whether our own workers are really taking advantage of the opportunity to learn from the foreign workers, and whether it can be stated with objectivity that they are really ready to replace the foreign workers without harming production.

And therefore it also is necessary to conduct an honest review to determine if the management of our workers is being carried out in an adequate and effective manner, or whether here too there is still much negligence and many deficiencies.

It also is necessary to review the mechanism for the administration of foreign workers, for, reportedly, the process is still not well defined and there are inconsistencies in the procedures followed by national and regional offices. These conditions weaken the supervisory process.

It is necessary to restrict the use of foreign workers and to accelerate the process of Indonesianization, but all of this must be done with thorough planning that will ensure that production is not sacrificed but safeguarded.

5458

CSO: 4213/112

FARMERS BEING DAMAGED BY SUGAR CANE PROGRAM

Jakarta MERDEKA in Indonesian 3 Dec 83 p 10

[Text] Sutomo H.R., a member of the Indonesian Democratic Party (PDI) faction in Parliament, told a MERDEKA reporter on Thursday [1 December] that the income of sugar cane farmers in East Java has continued to decline during 1983 and that they do not even earn enough to repay the credit advanced to them by Bank Rakyat Indonesia.

"Consequently, the land that they expect to make a living from has become something that burdens them with debts," he said. He added that he agrees with Minister of Internal Affairs Supardjo Rustam that the smallholders sugar cane intensification program (TRI program) has done great damage to the farmers and should be discontinued immediately.

He said that the TRI program is also carried out in West Java, Yogyakarta and Central Java, but East Java has 33 sugar mills, the largest number in Indonesia, and has been assigned about 65 percent of all of the targeted TRI projects.

The large number of TRI projects in East Java creates very complex problems as regards the land, the milling of cane, cost-of-living and other credit packets, and the relationship between groups of farmers and the village unit cooperatives (KUDs), he said.

Sutomo said that sugar cane farmers in East Java have long benefited from the sweetness of their cane and that local governments have had no trouble in meeting their targets for land to be used for the growing of cane. Even so, farmers are becoming hesitant about growing cane or losing their desire to grow cane because of the irresponsible behavior of some persons.

"The farmers continue to suffer while certain persons enjoy the benefits," he said.

Data that have been collected indicate that in the 1983 milling year the income of farmers declined 14 percent for first-growth cane grown for sugar mill by groups of farmers (TRIS I), 16 percent for ratoon cane grown for mill by groups of farmers (TRIS II), 35 percent for first-growth cane grown by individual farmers (TRIT I), and 53 percent for ratoon cane grown by individual

farmers (TRIT II), as compared to the 1982 milling year. The decline in income is even more drastic when compared with the 1981 milling year, namely, 32 percent for TRIS I, 32.2 percent for TRIS II and 50.9 percent for TRIT I.

Sutomo said that the income of farmers would not have declined if acts of malfeasance had been eradicated. He said that malfeasance occurs in the areas of credit, cutting, transportation, weighing and sugar output. By way of example he said that farmers are supposed to receive a credit packet of 250,000 rupiah per hectare each year, but they do not actually receive that much.

Another problem occurs during the milling season when the sugar mill issues transportation certificates. The certificates should go to the farmers participating in the TRI program but instead they are sent to the KUD where the KUD employees sell them for 7,500 to 10,000 rupiah apiece, he said.

5458

CSO: 4213/112

DROUGHT AFFECTS PRODUCTION OF EXPORT CROPS

Jakarta MERDEKA in Indonesian 3 Dec 83 p 10

[Text] All smallholders' plantings of coconut in West Java, Central Java, Lampung and Minahasa declined in both productivity and quality in 1983 because of the length of the dry season in 1982.

The failure of the trees to produce blossoms, pollinate and bear nuts has made it more difficult to obtain copra, and the price of coconuts in Jakarta has risen from 250 rupiah to 400 or 450 rupiah each.

The Central Bureau of Statistics (BPS), after conducting a survey of several smallholders' coconut production centers, stated in an announcement released in Jakarta on Friday [2 December] that the price of coconuts was up almost 200 percent over last year. Coconuts are in constant demand by housewives.

The BPS has produced an analysis based on production data for the years 1981, 1982 and 1983 from the Directorate General of Estates and its own findings in the field. In the analysis it estimates that coconut production will drop by about 100,000 tons in 1983. Production in 1981 was 1,764,567 tons, 1,710,607 tons in 1982, and can only reach 1,605,129 tons in 1983.

Surveys at the Pasir Badak estate, which is the property of Plantation Company XI, and at the Tenjo Laut estate in Pelabuhan Ratu show that the coconut palms have been almost burned up by the sun and that they have not produced blossoms or nuts.

Coconut palms in the yards of residents of Madiun and Jember are in a little better shape than those at Pasir Badak but are being more heavily attacked by insects.

Production of local farmers is down as much as 40 percent in Lampung and 60 percent in Minahasa. The warehouses of the village unit cooperatives (KUDs) in these areas have been filled to only 25 percent of capacity since July 1983.

The copra warehouses at the Tombasian KUD are usually full by July and the palm trees are producing about 30 nuts per tree. At the present time each tree is bearing no more than 10 coconuts.

Coffee, Cacao and Cloves

The fact is that the "drought of 82" has affected more than just the coconut crop. Field studies by the BPS show that coffee, cacao, cloves and other export crops also have been damaged, although not as badly as the coconut crop.

Large estates produced 23,353 tons of coffee in 1981 and 19,605 tons in 1982, but 1983 production is projected at only 6,342 tons. In the case of cacao, 1981 production was 11,358 tons, 1982 production was 13,329 tons, and 1983 production will be only 11,773 tons.

The BPS is asking the government to develop integrated plans to deal with the impact created by droughts, as it considers them to be recurrent phenomena that affect export crops once every 10 years. Experience indicates that years ending in the figure 2 always bring trouble, as in 1962, 1972, 1982 and next time in 1992.

Data on estate production that were recorded by the BPS in November and that show the actual production of large estates as of August tend to support this theory.

The data show that only four of the nine commodities derived from estate crops can exceed their 1983 targets. These four commodities are Manila fiber, cinchona, oil palm kernels and palm oil.

5458

CSO: 4213/112

BRIEFS

MINISTER CLARIFIES KORPRI POSITION--Minister of State and State Secretary Sudharmono SH [Master of Laws] stressed that the Republic of Indonesia Civil Servants Corps (KORPRI) is not a functional group, but members of KORPRI are definitely of GOLKAR [functional group organization]. The minister asked the Second National KORPRI Conference on Tuesday [13 December] to draft a program of consolidation, and adapt its AD/ART [statutes and bylaws] to the action taken by GOLKAR in choosing its principle and program. Sudharmono also said that in the near future, there would be a major effort to register GOLKAR members in accordance with the decision of the recent Third National GOLKAR Conference. [Text] [Jakarta HARIAN UMUM AB in Indonesian 14 Dec 83 pp 1, 8] 9197

CSO: 4213/121

KHMER-SEREI RUN BLACK MARKET, SMUGGLING, REFUGEE EVACUATION PLANS

Bangkok ATHIT KHLET in Thai 14-20 Jan 84 pp 16-19

[Report: "On the Curfew Route; The Aran (yaprathet)--Taphraya Route, Transport Route for Illicit Weapons"]

[Excerpts] Another strategic route has arisen to the north of the city of Aranyaprathet and along the Thai-Kampuchean border. This is the route known as the "Aranyaprathet-Taphraya-Lahansai Route." At a distance of only 300 to 500 meters to the right of the road is the border of the Kampuchean territory. The whole route is 50 kilometers, from Aranyaprathet to Taphraya. Starting from the 10th kilometer is the base of the military units stationed there, which are lined up all around. In addition, the military forces have also established inspection posts for all vehicles and persons who travel on that route. These posts are arranged at a distance of about 7-10 kilometers apart.

The importance of that road is known to be as a secret route to transport goods for sale on the black market along the border and along this route, which for the most part is in the sphere of influence of Khmer Serei.

ATHIT discussed the secret transport of goods for sale on the black market with a high-level government official in Aranyaprathet and learned that it is now very difficult to transport goods secretly because officials are strict concerning travel. In addition, they are strict even concerning goods brought into Aranyaprathet. Shops must notify the military whenever goods are brought into Aranyaprathet.

But, in any case, that official maintained that "no matter how strict we are, people still try because the returns are so high. Now there are vague reports of Thahan Phran Irregulars and Border Police transporting things themselves. Therefore, we are keeping our eyes open."

Black market products that are greatly desired at this time are medical supplies, bicycles, motorcycles, sugar, cigarette filters, and women's facial cream.

In addition, ATHIT was also told by Pol Lt Col Kongkiatti Sangchareun, head inspector of the Aranyaprathet provincial police station, that "there are also weapons of war that come from this part of the border, hand-held explosives, RPG's, AK (rifles), and M-16's that come from both the Vietnamese and Kampucheans. Both groups are rather lawless. Sometimes they exchange for 2 cheap watches or 1,000 baht for a gun that could be sold for up to 6,000 baht.

He also said, "It is believed that those weapons are being sent to Maesot and sold to Bomia's men. As far as we know, the weapons trade is being done in groups, but it is uncertain whether or not it is a movement. As far as we now know, there are about 20 people, both in Aranyaprathet and elsewhere."

On questions about preparations for dealing with the threat of fighting on the Thai border, ATHIT was told by Mr Uthai Kraichak, the district chief of Aranyaprathet:

"We have a plan for evacuating the people if there is real fighting, which is the direct responsibility of the government. It is the military, border police, and Thahan Phran Irregulars who will handle the situation."

The district of Aranyaprathet has also been divided into four parts: northern, central, lower, and southern; and the officials responsible are divided up. Evacuation will be only from the endangered regions in the path of Vietnamese shells, which is expected to be no more than five kilometers as published. Those who evacuate will be divided into groups of 10 families, with volunteers and the Volunteer Defense Corps watching over the transit. Most of the refugees will stay in schools and temples deep in Thai territory, out of the path of artillery. As for food and shelter, the province will allot an emergency budget that will average out to no more than 12 baht a head.

And when questioned about a number of Vietnamese refugees in Aranyaprathet who have been there since the time of the Indochinese war and have now set up homes in neighborhoods called "Vietnamese settlements" in Aranyaprathet district, of whom there has been the criticism that all those Vietnamese could be a danger to Thai security in the present situation of Vietnamese troop movements along the Thai border, Pol Lt Col Kongkiatti Sangchareun, chief provincial inspector of Aranyaprathet district, in his capacity as head of the center to supervise the Vietnamese in the area of Aranyaprathet told ATHIT:

"Even if they don't do anything as compared with the Vietnamese in the north-east, they still are not really to be trusted, partly because the pressure we have put on them in the past may have made them more nationalistic. So, if Vietnam attacks, they would probably take up weapons. It is believed that the Vietnamese now know all the important military positions and even the schedules of the important spots, which is dangerous. I have therefore recommended the evacuation of the Vietnamese people before the situation becomes violent, setting up new dwelling places, proportionally and with close supervision.

KHMER SEREI-KHMER ROUGE ARTILLERY DUEL REPORTED

Bangkok DAILY NEWS in Thai 2 Jan 84, pp 1, 20

[Article: "Khmer Rouge Shoot Artillery into Thailand"]

[Text] Khmer Serei and the Khmer Rouge have been exchanging artillery fire from morning until night. Over 100 artillery shells have landed on the Thai side of the border near Aranyaprathet. The people with homes along the border are in fear of danger from the artillery shells from the other side. Police officials, soldiers, border patrol police, volunteers, and Thahan Phran irregulars are on the alert, and advise the people not to be alarmed.

DAILY NEWS reporters stationed in Prachinburi province report that from dawn on 1 January until 3:00 p.m. of that day Khmer Seri soldiers sprayed artillery at the Khmer Rouge, causing 170 155 mm and 130 mm artillery shells to fall in Thai territory in the area of Nimit Pannamsap and Takuang villages, 13th km. Twenty artillery shells shot from the Khmer side fell near Khaodin village, Thapprik subdistrict, Prachinburi province, but there was no loss of people's homes or of peasant's property. This cause the people living along the border to fear if the shooting were to go on all day like this.

Mr Ari Wongaraya, the provincial chief of Prachinbur, ordered police officials, soldiers, border police, volunteers, and Thahan Phran irregulars watching the border area to be prepared at all times, and advised the people not to be alarmed and that the nation's officials are ready to deal with the enemy.

9937

CSO: 4207/76

QUALIFICATIONS FOR LPRP MEMBERSHIP DISCUSSED

Vientiane VIENTIANE MAI in Lao 5 Jan 84 pp 2, 4

["Conversation with the Editor" Column: "How Can One Become a Member of the LPRP?"]

[Excerpts] [Question] Is it a secret matter to become a member of the LPRP? What are the qualifications for becoming a member of the LPRP, and how can one become a member? Can a person with no working class background, however determined to endure all difficulties in carrying out the duties for the party and government, apply to be a party member? If there are any mistakes please forgive me. I hope you don't mind my questions.

[Answer] Because the party holds power over the entire country, it is everyone's duty and requirement to study about the party. Thus, it is very good that you ask this question. We admire you for sending it in, and we would respond to it as follows.

Our party holds power and is directly organized in all aspects of the revolutionary work. As you know, the party has been out in the open the same as different levels of party organizations since 1980. Therefore, the members are no longer secretive like before. When we say that the party has been out in the open you should not assume that all the work of the party will be in the open with no secrets. If we understand it that way we would be looking at the problem in [extreme-left fashion]. Both the extreme left or the extreme right can be harmful.

The party regulation [revised] in the recent third party congress clearly stated: "The party consists of people who are alert, active revolutionaries, the most outstanding and trusted members of the working class, working farmers, socialist intellectuals and other working classes of various ethnic groups who have passed the test in national liberation, national defense, and socialist construction, and who have volunteered to join the ranks of the party in order to carry out the goals and ideology of the party in order to make them reality." By excerpting a part of the party regulations for you to see as a complete answer to your second question, we would like to suggest that you use your own wisdom to study every word above deeply and in detail.

You will understand right away what the social classes are for those who become party members, what they are like, and why they join the party. Then you should think on your own about what you should do in order to qualify according to the regulations mentioned.

We would like to stop now in answering your question. We are not sure whether it satisfies you, but if not you can send in more questions. Thank you.

9884

CSO: 4206/67

EDITORIAL HAILS PRK 5TH ANNIVERSARY

Vientiane PASASON in Lao 7 Jan 84 pp 1, 3

[Editorial: "Five Years of Experimenting, 5 Years Filled With Glorious Victory for the Fraternal Kampuchean People"; FBIS ASIA & PACIFIC DAILY REPORT 11 Jan 84, pp 16,7 carries Vientiane KPL in English version]

[Text] Five years ago, a world famous event occurred in Kampuchea: it was the uprising of military forces and the Kampuchean people. With firm support and cooperation from the Vietnamese people, they carried out heavy attacks on the dictatorial regime in Kampuchea as if like a storm, and scored glorious achievements in fighting. On 7 January 1979 they wiped out the administrative yoke of the Pol Pot-Iengy Sary-Kheo Samphan regime and the neocolonialism of the Beijing expansionists, and saved Kampuchea and its people from genocidal disaster. The People's Republic of Kampuchea [PRK] was born, and the Kampuchean People's Revolutionary Council was set up to inspect and control all of Kampuchea and to manage all their national work.

The victory of the Kampuchean people on 7 January 1979 was the extinction of the flames of war that threatened the SRV and the LPDR. It caused the dismantling of Beijing's schemes and cruel deeds by which it hoped to use Kampuchea as a strategic stronghold for threatening and destroying the revolution in three countries in Indochina in order to carry out their strategy and to expand their power throughout Southeast Asia. This resulted in the Kampuchean people attaining true self-mastery, approaching a new era of independence, freedom, and advancing along the path of socialist construction. Fraternal relations, special solidarity, and long-term all-round cooperation among Kampuchea, Laos, and Vietnam were improved and gloriously advanced in this period of expansion.

Today, the fraternal Kampuchean people of ethnic groups nationwide celebrate happily together the fifth anniversary of the birth of the PRK. The past 5 years (7 January 1979-7 January 1984) was a period under the leadership of the PRK party and the United Front for the Construction and Defense of the Fatherland with the solidarity of the entire nation. The Kampuchean people struggled persistently and bravely and achieved a glorious victory in defending and constructing their own nation.

The past 5 years has been a period of testing the strong and glorious stability of the PRK in the land of famous Angkor, because in the past 5 years, although the genocidal Pol Pot-Ieng Sary-Kheo Samphan regime has been overthrown, the Beijing expansionists have never stopped their aims and evil intentions to take Kampuchea and use it as a lever to seize the Indochinese peninsula and expand their power to all of Southeast Asia. With this intention they stretch their blood-stained hands to persuade and gather these murderers into groups, and then take care of them and use them to counter the rebirth of the Kampuchean people, hoping to bring in the former genocidal regime to assume a role in Kampuchea. Meanwhile, the Beijing power-wielding cliques have continued to collude with the American imperialists and other international reactionaries [in order] to form the "Kampuchean Democratic Coalition Government" consisting of Sihanou, Son San, and Kheo Som Phon. This is merely a mask hiding the evil and savage face of the Pol Pot clique which mankind grew weary of and denounced.

Although the enemies of the PRK, including the Beijing expansionists who, in close collaboration with the American imperialists and other international reactionaries, have many hundreds of dark schemes hoping to stop the progress of the Kampuchean people in building their new life, they will absolutely not be able to reverse the Kampuchean situation. The Kampuchean people must victoriously advance themselves on the path they have chosen.

In the past 5 years the Kampuchean People's Revolutionary Army and the people's security forces, with close collaboration with the Vietnamese volunteer army and the masses all over the country, have disclosed, dismantled, and shamefully defeated the evil schemes of the murderous Pol Pot-Ieng Sary-Kheo Samphan group. They were able to maintain stability, security, and order in society throughout the country. The withdrawal of the Vietnamese volunteer troops from Kampuchea, that is, in 1982-83, clearly proves the growth, strength, and rapid all-round expansion of the Kampuchean Army and the people's security forces.

Along with the expansion of the national defense, the construction and improvement of the PRK people's revolutionary administration has been efficiently carried out over the entire nation from the center down to the base levels. The people have a high political awareness, knowing friend from foe. The three mass organizations, the youth union, the trade unions, and the women's associations for each level have been unceasingly improved and expanded in quantity as well as in quality. Agriculture, especially rice-growing, has expanded satisfactorily.

In 1979 there were only 800,000 hectares of cultivation area which yielded only 556,000 tons of harvest. In 1982 the cultivation area totaled 1,527,768 hectares and the total harvest yield was 1,915,000 tons, 280 kg per capita on the average. In 1983 the cultivation area was 1,760,000 hectares. Draft animals in 1982 increased by 2.5 times when compared with that for 1979. Rubber plantations had only 4,902 hectares in 1980, but 12,968 hectares in 1983. Industrial and handicraft production has also expanded. In Phnom Penh Capital there are 50 industrial plants and 1,500 handicraft plants now in operation.

Meanwhile, communications, transportation, and trade have also been expanded widely. Education and public health in the past 5 years have been significantly expanded in comparison with the period preceding 1979. Now there are 3,521 elementary schools, and 113 secondary and senior high schools. In 1983 alone 480,000 illiterate persons were able to read and write. In the 1982-83 academic year the number of students and mid-level vocational students increased to 3,533 people. In early 1983, 1,317 cantons had public health units, and 123 districts had 30 to 50-bed hospitals. Each province in the entire nation has a large-size 100 to 400 bed hospital. There are schools for training basic and mid-level doctors and nurses. In culture, arts, and literature, the Kampuchean people have reinforced their own heritage. Their fine traditional literature has been revived and expanded in order to cheerfully serve the working and producing atmosphere both in cities and in rural areas. The mass media have also been expanded, e.g., information, newspapers, radio broadcasting, and foreign relations. The PRK has done everything possible to counter the war of aggression provoked by the imperialists and the international reactionary forces. Meanwhile, they support and [welcome] help from fraternal socialist countries and from the peace and justice-loving people of the world to maintain stability and peace in that area and the world, and to raise high the power and fame of the PRK.

The great victory the Kampuchean people have achieved in the past 5 years under the correct leadership of the KPRP [Kampuchean People's Revolutionary Party] and of Comrade Heng Samrin, its general secretary, is a result of the deep patriotic spirit and persistence of the army and the fraternal Kampuchean people. [It was a mighty victory of the era], a victory of special solidarity among Kampucheans, Lao, and Vietnamese. It was also a victory of the effective assistance of the USSR and other fraternal socialist countries. We, the Lao people, are most proud of this success and great victory, and consider this victory and success as if it were our own.

Our Lao people know very well that now the fraternal Kampuchean people still have to fight against all the dark schemes led by the American imperialists and the Beijing expansionists along with other reactionary forces, their minions who are carrying out psychological warfare against the PRK to propagandize, slander, interfere with, and bring disunity to the special solidarity among the Kampucheans, Lao, and Vietnamese. These forces are also collaborating to carry out the Beijing reactionaries' plan to support the Pol Pot-Ieng Sary-Kheo Samphan and Sihanou and Son San cliques to increase their destruction and to terminate the rebirth of the Kampuchean people, and to stop the progress of the LPDR and the SRV. However, we the Lao people believe that with the correct leadership of the PRK the Kampuchean people will reinforce their fine heritage of the Angkor era with the assistance of the Kampuchean Revolutionary Army, with mutual solidarity among the peoples in the three nations of Laos, Vietnam and Kampuchea, with the help and support of the USSR and other fraternal socialist countries, and with the peace and justice-loving people of the world. The fraternal Kampuchean people are absolutely able to dismantle and defeat all the enemies' schemes and to create good conditions for firmly stepping toward the path of constructing their beloved country, and to honorably take part in restoring peace and stability in Southeast Asia and in the world.

On this glorious opportunity we the Lao people wish our fraternal Kampuchean people renewed success and new and greater victories on the path of defending and constructing their country. May the fraternal friendship, special solidarity, and special military solidarity between Laos and Kampuchea, and among Laos, Vietnam, and Kampuchea become steadily strong and forever increase.

9884

CSO: 4206/65

COLUMN TO ADDRESS ALL ISSUES, PERSONAL REPLIES PROMISED

Vientiane VIENTIANE MAI in Lao 7 Jan 84 p 2

["Conversation with the Editor" Column: "In What Areas Can We Send Questions?"]

[Text] [Question] Dear VIENTIANE MAI Editor: I often read your column. I have thought about sending in many questions, but I do not know what the criteria are and I am afraid you will not answer. Thus, I would like to know what your criteria are in answering questions, and what are the areas we can send in questions about? This is what I am interested in for now, and I hope you will let me know. 29 December 1983 (signed) A. Nitsavang, Ban Suan Mon. Thank you.

[Answer] Dear Comrade A. Nitsavang of Ban Suan Mon. Congratulations! After thinking by yourself you then decided to send in a question for the first time. To answer your question we would like to respond as follows.

Our "Conversation with the Editor" Column is open to welcome readers from all directions regardless of sex, age, and social class, whether private or organization. Readers who have any questions on social, economic, political, or scientific feature articles or things concerning the resolution, the LPRP, or Marxist-Leninist theory can send in their questions. If we know the answer we will respond right away, and any that we do not know or which are outside our right to answer will be brought up for discussion with the higher echelons or the place concerned, and then we will respond to you. Any questions that we think would be useful for the whole, for the revolution, and for the nation we will answer in the newspaper column. Others we will answer directly and personally (because of this we would like readers to give their name and address clearly for correspondence). We will keep your letter absolutely secret. We would only request that you not question other people's personal matters.

Another thing! As for you young readers who want to discuss love, we might also be able to serve you.

We hope you understand, that we will continue to get letters from you. Good luck and thank you.

AIR TRAFFIC COMMUNICATIONS, CONTROL WORK DESCRIBED

Vientiane PASASON in Lao 31 Dec 83 pp 2, 3

[Article by Thenthanou: "Air Commander"]

[Text] Air traffic control for flights over the LPDR is an important task of our aviation because it is an all-around specialized task. Under the old regime it had been assigned to the Saigon puppets. Now, since the day the LPDR was founded, we the Lao people own it ourselves and we control all international flights in Lao skies, over 50 to 60 flights every 24 hours.

Comrade Phoukhao Soulivong, an air traffic communications technician, a member of the French trade union, and an active member of [trade union intellectuals] the aviation regiment spoke of his feelings and several achievements to welcome the 1st Nationwide Trade Union Congress. The [aviation communications technology division] has succeeded in the important task assigned by the higher echelons in 1983, especially the installation and assembly of radio equipment used in aviation in order to facilitate and assure safety for air traffic over the LPDR, and to become a center for air traffic communications with neighboring countries, e.g., Hanoi, Phnom Penh, and Bangkok.

They also succeeded in two main projects aided by the civil aviation organization and were installed by our own technicians, e.g., the installation of [navigation radio or VOR (Very-High-Frequency Omnidirectional Range)] and the installation of equipment for air traffic control in Wat Tai or DME [Distance Measuring Equipment] for international air traffic in case of bad weather.

Comrade Phoukhao spoke of his feelings toward this historical trade union congress. He said he was extremely happy to see that the organization of workers, the Lao working people, under the leadership of the party has been firmly expanded. As trade union members and also as technicians and workers in the aviation communications technology division we are all proud. It assures the carrying out of air traffic control both day and night.

At the end Comrade Phoukhao Soulivong, an outstanding air traffic control technician who received praise and medals from the higher echelons every year, wished the trade union congress success and a glorious victory.

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CSO: 4206/67

COMMENTARY SCORES ZHAO ZIYANG WASHINGTON TOUR

Vientiane PASASON in Lao 16 Jan 84 p 2

['Commentary' Column by Dong Hen: 'What Did The Beijing Reactionaries Beg From The American Imperialists?']

[Text] Last week Zhao Ziyang, the Chinese prime minister, rushed to Washington for an official one-week US visit. The Washington visit of the Chinese premier Zhao Ziyang occurred after the US visit of Hu Yaobang and the visit to Beijing of Casper Weinberger, Reagan administration Pentagon chief, on September 1983, and there was an agreement to sell military weapons to Beijing.

The visit of Zhao Ziyang, an important person in the Deng Xiaoping group, led various international affairs observers to criticize that the primary aim of Beijing was concerned with weapons, technology, and military affairs from the US over other matters.

Building a modern army is one of the four modernizations of the Deng Xiaoping group, which is aimed at making China a superpower by the year 2000. The Deng Xiaoping group follows Maoism. Its policies are for expanding territory and power. Its content is still the same and changes only in form in order to be consistent with a new time and place.

Relations between Beijing and Washington in many years past show that the Beijing reactionaries have steadily yielded and surrendered to the American imperialists. Mao Zedong once said: "Paper tiger". Because of Beijing's dream for power it has softened under the pressure of Washington in exchange for military weaponry and techniques from the US.

In the Reagan administration's policy of two Chinas (mainland China and Taiwan) over the past years, the Beijing reactionaries have been at a disadvantage in every way because they have been hit on the head and patted on the back at the same time by the American imperialists. This is because ties between Taiwan or Nationalist China and Washington have been drawn steadily closer. The American imperialists have been giving as never before a great deal of aid and have been selling many weapons to Taiwan in 1983. However, Deng Xiaoping and also Zhao Ziyang also modestly announced that "relations with the US have improved and have a future."

Everyone well knows, especially the Chinese people themselves, that the truth of their cooperation with the US is their willingness to become the henchmen of the US in the global strategic plan of the American imperialists. Chinese national construction is aimed at the Dent clique's forces in pushing China to become closely involved with the American imperialists' political orbit like prey caught by the Reagan administration using weapons as bait.

This US visit by Zhao Ziyang will only bring China more firmly under Washington's control. It will bring only embarrassment to the Chinese people and make them suffer even more because Beijing has lost advantages in the agreements signed regarding Taiwan and other issues.

Washington's advantageous position is consistent with the Pentagon's assessment. After Weinberger's visit to Beijing he said: "Washington understands Beijing's spirit and needs, and what they need is weapons!" It is now quite clear that the Beijing reactionaries are willing to kneel and beg for weapons from Washington, hoping to succeed in the goal of expanding territory and power and to become a dictator and world superpower.

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CSO: 4206/74

EULOGY FOR SOUVANNA PHOUMA

Vientiane PASASON in Lao 16 Jan 84 pp 1, 3

[Article: "Eulogy At The Funeral Ceremony For Mr Souvanna Phouma, LPDR Government Advisor"]

[Text] My respect to the Buddhist clergy, the president of the Lao People's Democratic Republic and chairman of the People's Supreme Council, members of the People's Supreme Council and Council of ministers, honored guests, people of Vientiane Capital, and members of the diplomatic corps.

Today we are deeply sorrowful and we have all gathered to commemorate and pay last homage to Mr Souvanna Phouma, the government advisor.

Mr Souvanna Phouma was born on 7 October 1901 in Luang Prabang. He was a son of Chao Bounkhong and Chao Thongsai.

After finishing elementary school in the country he continued his education at Albert Sarraut high school in Hanoi, and then studied further at the universities of Paris and Grenoble in France. There he received a diploma in civil and electrical engineering.

Because of his patriotism and love for his native land he returned to the country after graduating and took part in constructing and developing the nation.

When the country was under the rule of the French colonialists, and in his patriotism and the desire for his country to gain independence like other countries, Mr Souvanna Phouma together with other patriots in the Lao Issara movement (the Free Lao Front Organizations) rose up against the French colonialists, seized power from the Japanese fascists, and declared national independence in 1945.

From 1950 to 1958 the situation within the country and the international situation became confused, and Mr Souvanna Phouma's post changed many times. He was prime-minister, vice prime-minister, and minister of the Kingdom of Laos. However, he still joined the other patriots in the struggle to liberate the nation from being a colony of the invading imperialists, and build up national unity.

After the Geneva agreement concerning Indochina, from 1954 to 1958, as vice prime-minister of the government he struggled against the extreme rightist reactionary group in the government, and he warned them to build up unity and to stop killing. Because of the command of the imperialists the Vientiane extreme rightist reactionaries destroyed the coalition government, and arrested the leaders of the party and the Lao Patriotic Front. Mr Souvanna Phouma lost his post in the administration and was exiled from the country as a diplomat. However, he refused to become discouraged.

Over the more than ten years from 1960 to 1974, because of the correct policy of the party and the support of the patriotic forces and international friends, as the prime minister of the tripartite coalition government he took part in continuing the struggle in many ways against the oppression of the extreme rightist group ruling the kingdom and the forces of the old and new colonialists in Laos. Although they had to struggle they gradually succeeded, which was an important part in bringing peace, neutrality, and unity to the nation.

When the nation was completely liberated, because of the correct, clear-sighted, and just policies of the LPRP and because of his good deeds in national affairs, Mr Souvanna Phouma was appointed by the nationwide congress of the people's representatives to be LPDR government advisor from 2 December 1975 on.

While holding this post, despite his advanced age and declining health he never stopped using his intelligence, knowledge, and abilities in national defense and socialist construction, in increasing and promoting solidarity among social classes and different ethnic groups in Laos, and in increasing solidarity with international friends.

However, by the end of 1983 his health had progressively deteriorated. On seeing this the party and government along with his family and relatives were all concerned and did their best to take care of him both within the country and abroad. However, his sickness was too serious for them to be able to save his life, and on the morning of 10 January 1984 at 4:10 AM he died at his residence in Vientiane Capital.

The death of Mr Souvanna Phouma marked the loss of a patriot, a senior politician, and an experienced expert.

The party, the government, and the Lao people will forever remember his achievements in the nation's history.

Dear Souvanna Phouma, today you are leaving us never to return. We all have deep sorrow in commemorating you. You deserve to be loved and respected by your country and friends in the world. We promise you that we will together lead the national affairs you participated in all of your life to complete victory. May your spirit go to heaven. Before saying goodbye to you we would all like to bow our heads to your memory and to show our last respects.

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CSO: 4206/74

BRIEFS

LUANG PRABANG DISTRICT POPULATION--Siang Ngeun District has a fairly large area of which mountains cover 90 percent of the flatland. It has 11 cantons with a total population of 39,600, including 23.1 percent Lao Loum, 55 percent Lao Theung, and 21.6 percent Lao Soung. [Excerpt] [Vientiane PASASON in Lao 3 Jan 84 p 3] 9884

VIENTIANE POPULATION, AGRICULTURE, HOSPITALS--Vientiane Province is a province that has just been separated from Vientiane Capital, and it has a fairly large area of approximately 17,340 square km. It has 9 districts, 80 cantons, and 712 villages. Its total population is 300,000 of which one-third are ethnic groups that have settled in mountainous areas. The people of ethnic groups in Vientiane Province are highly aware of collective ownership and of being owners of the country. They encounter and stop all the enemies' activities whose aim is to destroy and incite unrest against the political policy of the party and the government, resulting in peace and happiness in Vientiane Province. The people have a chance to build themselves up and to earn their living peacefully. Especially this year, although the weather was not very good early in the year, because of the attentive guidance and leadership of the party and administrative committees and by their being the driving force in organizing the work sections and districts, plus the diligent heritage of the people, within one year they were able to achieve many fundamental victories. They completed 50,470 hectares of wet rice-growing, an increase of 1.5 percent over last year, and the revenue is estimated to have increased by 7.1 percent over last year; dry season rice in 207 hectares exceeded last year's production by 213 tons. There are 10,179 hectares of upland fields and the production was 45,380 tons. Subsidiary crops were grown, for example, 859 hectares of corn whose production was 1,080 tons, exceeding last year's by 30 percent, and 270 hectares of tobacco with 190 tons of products. The area having access to irrigation water in both the dry and rainy seasons is 4,417 hectares. There are 71 agricultural co-op units with 2,240 families; 8 additional units were added. They have 2,023 hectares of cultivation area, 73 percent of the average when compared with the total number of farming families. There are 69 hospitals of which 9 are district hospitals and 60 are canton hospitals available for supplying health services to cadres and the people of ethnic groups. [Excerpts] [Vientiane PASASON in Lao 30 Dec 83 p 2] 9884

THAI ILLEGAL ALIENS RETURNED--In order to carry out the correct and just policies of the party and government of the LPDR, and to steadily improve friendship between the Lao and Thai, on the afternoon of 11 January 1984 in the PPS club of Hatsaifong District, Vientiane Capital, five Thais were turned over by the Laos-Thailand border committee. The five were identified as Mr Khamphan, 29, of the village, canton, and district of Sikhui, Ratchasima Province; Mr Champa, 27, of Ban Na Tan, Choumphon Canton, Phonwichai District, Nongkhai Province; Mrs Tim, 27, Ban Pon, Phang Deng Canton, Ko District, Nakhon Phanom Province; Mrs Bouawan, 28, Ban Pak Som, Kha Tang Canton, Sangkham District, Nongkhai Province; and Mr Kout, 21, Ban Houa Hat, Ban Deua Canton, Nongkhai District and Nongkhai Province. The five had been charged with illegal entry and for conspiring against the LPDR. Mr Bounmi Sathamavong who represented the Lao side of the Lao-Thai border committee made a speech when the Thais were handed over. On the Thai side, Mr. Niran Phanouwong, Thai charge d'affaires in the LPDR, made the acceptance speech in front of a number of officials concerned for both sides. [Text] [Vientiane VIENTIANE MAI in Lao 12 Jan 84 pp 1, 4] 9884

CSO: 4206/67

RITHAUDDEEN TO SEEK RE-ELECTION

Kuala Lumpur NEW STRAITS TIMES in English 24 Jan 84 p 2

[Text]

KUALA LUMPUR, Mon. — One of the incumbent Umno vice-presidents, Tengku Ahmad Rithauddeen, will be seeking re-election at the Umno General Assembly to be held in May.

The Trade and Industry Minister disclosed today that he will definitely be seeking re-election if he was nominated.

Earlier, another incumbent vice-president, Encik Ghaffar Baba, had indicated his willingness to seek re-election if his services are still needed.

"If Datuk Seri Dr Mahathir wants me to stay, I will oblige him," said Encik Ghaffar.

Besides them, only the Information Minister, Datuk Seri Adib Adam, had announced his intention of contesting one of

the three elected vice-president posts.

Tengku Rithauddeen and Encik Ghaffar were predominant figures in the efforts to break the impasse over the Constitutional amendments recently.

Their decision will put the Finance Minister and party's treasurer, Tengku Razaleigh Hamzah in a spot.

If he and Tengku Rithauddeen were to go for the vice-presidency, the votes from Kelantan will be divided and this would not work well for Tengku Razaleigh.

The other alternative will be to stage another battle royale against Deputy Prime Minister, Datuk Musa Hitam for the post of deputy president.

In the last party election, Tengku Razaleigh secured 517 votes against Datuk Musa's 722 votes

(there were five spoilt votes).

Like the last time, both men will depend greatly on the votes from Johore and Perak which provide the votes from 37 divisions (Johore's 16 and Perak's 21) with Selangor with its 11 divisions to tilt the balance.

Supporters from both camps had been rallying for support in the three States.

Perhaps disturbed by these activities, Selangor Umno Youth leader, Encik Fahmi Ibrahim urged both parties not to send their agents to rally for support in the State.

"If they want our support, say it openly. Don't send their agents here. We in Selangor are matured enough to assess the candidates and decide who to support," said Encik Fahmi yesterday.

MCA ELECTIONS SLATED FOR JUNE

Kuala Lumpur NEW STRAITS TIMES in English 24 Jan 84 p 1

[Text]

KUALA LUMPUR, Mon.

The nomination date for the MCA elections in June will be fixed after Chinese New Year and there is a likelihood that acting president Datuk Dr Neo Yee Pan might be challenged for the top party post.

Speculation is rife that vice-president Mr Tan Koon Swan might make a bid for the presidency which was vacated by Datuk Lee San Choon last April following his retirement from politics.

Sources said that Mr Tan was likely to team up with MCA Youth president Datuk Lee Kim Sai who would go for the No.

2 spot, currently held by Datuk Mak Hon Kam in an acting capacity.

The party has already set up a steering committee to handle affairs pertaining to party elections at all levels. — MCA branches will hold their elections in March, divisions in April. State conventions will be held in May, the Youth and Wanita sections will hold their general assemblies on June 1, and the party general assembly on June 2 and 3.

MCA secretary general Tan Sri Chong Hon Nyan, who is heading the steering committee, told newsmen today he would

call for the first meeting of the committee immediately after the Chinese New Year.

He said the nomination date for the June elections would be discussed at the meeting.

A lot of things had to be done to prepare for the elections at the various levels, especially in getting ready the master roll of the membership, he added.

On reports that a contest for the top party post was likely, Tan Sri Chong said every MCA member could contest any of the posts up for election.

"However, I hope that in the process of electing

the officials at the branch, divisional and national levels, the steady progress achieved by the party will not be disturbed."

He hoped members would remember that it was not individuals but the interest of the party that mattered.

Whoever was elected president would have a number of important issues to deal with, like the proposed changes in the constituencies and the drawing up of the Fifth Malaysia Plan.

Asked if he would contest the post of vice-president, he said that he had not thought about it yet.

CSO: 4200/536

SUCCESSION TO GERAKAN LEADERSHIP EXAMINED

Kuala Lumpur NEW STRAITS TIMES in English 26 Jan 84 p 3

[Article by Calvin Goh]

[Text]

KUALA LUMPUR, Wed. — Will he or won't he make a bid for the top post in the Gerakan?

That is the question on the lips of the 120,000-odd Gerakan members about vice-president Datuk Michael Chen although the general assembly is about eight months away — in September.

According to some party sources, as things stand at the moment there is a strong possibility that he will challenge incumbent Datuk Dr Lim Keng Yaik not so much by choice but because of pressure from his followers within the party.

Datuk Chen is relatively new to the Gerakan having joined the party in June 1981. But he is a seasoned politician having been in the MCA for many years. He is a former deputy president of the party as well as a Cabinet Minister.

Since joining the Gerakan, he has been credited, to some extent, for increasing the party's membership from 15,000 to the present strength.

A source said that he has wide support in the party and it is this that may eventually force him to contest.

Datuk Chen, on the other hand, is said to have not made up his mind as yet

However, there have been reports that some members were thinking of sounding out Gerakan adviser and Penang Chief Minister Dr Lim Chong Eui to take over the reins himself to avoid any possible clash between Datuk Chen and Datuk Dr Lim.

But sources said that it was highly unlikely that Dr Lim would do so.

They said there is a growing feeling among Datuk Chen supporters

that he should contest the No. 1 spot.

"In view of his position as a Perak State Assemblyman, Datuk Dr Lim does not seem to have the national exposure that the leaders of Umno, MCA or MIC have," said another source.

Furthermore Datuk Dr Lim had failed to obtain more State seats for the Gerakan to contest in Penang in the last election. Instead, the number of seats were reduced.

"In the 1978 general election, the Gerakan contested 11 State seats and the MCA five. In 1982, it was the same number for the two parties.

"Unlike MCA, for example, the Gerakan has to fight for its survival. Should we lose Penang we will be in serious trouble," the source said.

The source also said that if Datuk Chen did not contest the No. 1 spot, someone else might.

In this connection, it is speculated that deputy secretary-general Dr Goh Cheng Teik, who is also Deputy Agriculture Minister, could be a possible contender.

Sources noted that Dr Goh has been building up his support among party members. But there has also been speculation that he might contest the secretary-general's post now held by Tan Sri Teh Ewe Lim.

CRUCIAL UMNO ELECTION AHEAD FOR HARUN

Kuala Lumpur NEW STRAITS TIMES in English 23 Jan 84 p 3

[Text] Kuala Lumpur, Sun.--The 35th Umno general assembly will only be held in May but the key date for Umno Vice-president Datuk Haji Harun Idris will be between April 19 and 22 when the Tanjung Karang division holds its election.

The outcome of the election, which will have no bearing on the elections of other divisions in the State, will reflect the true position of Datuk Harun in Selangor where he was once the */Supremo,/ [in italics]* said high-level party sources.

The division is already surrounded by controversy as it edges closer to the election date.

In the most recent meetings, the division officials rejected the subscription fees of some 200 members of the Pekan Tanjung Karang branch and they were subsequently barred from participating in the branch's meeting.

The 200 joined another 300 from other branches to demonstrate in front of the Prime Minister's residence on New Year's day.

In another meeting, there were punch-ups among members.

And at the centre of the controversy is the incumbent division head, Datuk Kamarulzaman Ahmad, who is seeking re-election. He is being challenged by his deputy, Haji Shukor Haji Siraj, widely known as Datuk Harun's man.

Even with the support from Datuk Harun and leaders outside the division, Haji Shukor has an uphill battle against Datuk Kamarulzaman who has led the division for the last 17 years.

Defeat in Tanjung Karang could mark the end of the road for Datuk Harun's political career.

Speculation has been rife that Datuk Harun would challenge Prime Minister Datuk Seri Dr Mahathir Mohamad for the party's presidency.

It was felt that Datuk Harun was making the challenge not because he had the strength but simply because he has to make an "impressive exit" from party power.

"He does not have the kind of support to even nudge the Deputy Prime Minister Datuk Musa Hitam from the deputy president's post," the sources said.

Selangor Umno sources agreed that Datuk Harun is fast losing support in the State.

"Datuk Harun has alienated many powerful division chairmen, including some of his closest friends after the 1982 General Election in his bid to control the State.

"As the Barisan Nasional election director for Selangor in the last General Election, he dropped almost all incumbents from the State and Parliamentary seats to make way for his own men.

"By doing so, even his closest friends have now become his enemies." [as published]

Under the circumstances, Datuk Harun will find it hard to even retain his vice-president's post.

"He has to garner support from elsewhere, because he will not be getting much from Selangor. He might get it from Kelantan but that may not be sufficient to help him retain his post."

CSO: 4200/536

CONTROL ON EXODUS OF RURAL YOUTHS URGED

Penang THE STAR in English 23 Jan 84 p 7

[Text]

KUALA LUMPUR, Sun. — The exodus of rural youths to towns must be controlled because many of them cannot compete for jobs with youths in urban areas.

Deputy Primary Industries Minister Bujang Haji Ulis said today: "Rural youths are unable to compete with urban youths because they lack experience as well as education."

These youths, unable to get jobs or attain the standard of living they aspired to, then turned to undesirable activities as a form of escapism, he said when opening the annual general meeting of the Kampung Pantai 4B Youth Movement branch here.

"As a result, social problems including crime have been increasing in the towns," he said.

Encik Bujang urged youth organisation leaders to strive harder to change the attitudes and way of thinking of their members.

"I hope the migration of youths to towns can be controlled, and the social and economic problems arising out of the exodus can be reduced," he said.

He was happy that the attitudes and activities of youth organisations had become more positive and productive.

He said it was a healthy sign that youth organisations were now competing with each other for opportunities to improve the socio-economic situation of their members.

Encik Bujang also reminded the 4B youth leaders who had been elected not to fail in their responsibility towards their members.

"The mandate given by the members should be fulfilled with a sense of responsibility. As leaders, you should not use your position for self-gain," he said.

He congratulated the branch for organising a handicraft competition because this was one of the ways of promoting local arts and culture.

He urged youths to be more involved in organisations instead of waiting for government assistance to pursue such activities because this would help them to develop their artistic potentials.

CSO: 4200/538

MIC TO IMPROVE ECONOMIC POSITION

Penang THE STAR in English 23 Jan 84 p 2

[Text]

KUALA LUMPUR, Sun. — The MIC's primary task in the coming years will be to strengthen and expand the economic position of Malaysian Indians, party president Datuk S. Samy Vellu said.

The community was lagging behind the other communities in the economic field, he said.

Datuk Samy Vellu, who was re-elected to a second three-year term as party president today, said the party's investment arm, Maika Holdings, would speed up its projects.

Maika Holdings, set up last year, however, has not been approved by the Capital Issues Committee (CIC) yet.

Datuk Samy Vellu said Maika had planned to raise \$100 million by the end of the year to initiate its projects.

He believed that \$50 million could be raised in three months once the CIC approval was obtained.

"We have the machinery to raise the \$100 million. All Indian-based organisations have been mobilised for this purpose," he told reporters after casting his ballot in the MIC presidential elections at the Batu Caves MIC branch, of which he is a committee member.

Datuk Samy Vellu was confident the Malaysian Indian share of the country's corporate wealth could be increased by two per cent from the present 1.3 per cent within two years through Maika.

He said if the 500,000 Malaysian Indians donated \$1,000 each, Maika would have \$500 million within a year.

"With this, we could invest in many projects and our assets would increase. But to achieve this, Malaysian Indians must change their attitude as the time has come for them to choose between progressing with the rest of the country or be left to stagnate," he said.

Datuk Samy Vellu said

plans for a 34-storey commercial complex to be built by Maika had been finalised and would be submitted to City Hall for approval.

The complex will be sited at the present MIC headquarters building area. Part of the present building will be demolished to make way for the complex, which will also house the party headquarters.

Datuk Samy Vellu said Maika would also go into a joint-venture project with a humiputra company, Zaifa Holdings, to develop another commercial complex in the city.

A Maika subsidiary, a construction firm, has also been registered and it will undertake the development of all available plots of land owned by MIC.

Datuk Samy Vellu also said an application for an insurance firm had been submitted to the Finance Ministry for approval.

"The Prime Minister has given his blessings and the Finance Minister has promised to give his approval soon," he added.

GOVERNMENT TO EXAMINE TAMIL SCHOOL PROBLEMS

Penang THE STAR in English 23 Jan 84 p 2

[Text]

KUALA LUMPUR, Sun. — Acting Prime Minister Datuk Musa Hitam has directed the Education Ministry to present a paper on the problems faced by Tamil schools, MIC president Datuk S. Samy Vellu said today.

He also told reporters that conditions in Tamil schools were worsening and the problems would get more acute when more than 2,000 trained Tamil teachers retired in the next three years.

Datuk Samy Vellu, who is also Works Minister, added, "These teachers will have to be replaced by the present

batch of temporary teachers who lack training and the standard of teaching in these schools will be affected," he said.

"The MIC will be organising a course next weekend for temporary teachers from the Federal Territory and Selangor, with the co-operation of the Education Ministry, at the Vanto Academy," he said.

He also said new facilities would be introduced at the Vanto Academy soon, including a science block with modern equipment and facilities.

CSO: 4200/538

U.S. TRADE RESTRICTIONS ON IMPORTS RAPPED

Penang THE STAR in English 9 Jan 84 p 5

[Text]

IPOH, Sun. — Deputy Trade and Industry Minister Go Gin Sun rapped the United States yesterday for its intention to impose trade restriction on imports of textiles and garments.

Increasing protectionism in the international textile trade had produced "disturbing and damaging effects" on the local textile industry, he said.

Speaking at the opening of the Imperial Garment Sdn Bhd in the Tasek industrial estate, Mr Go described the new restrictions, known as the "presumption of market disruption," as alarming.

The restrictions, which were announced by the US Government, would threaten the foundation of the current system in international textile trade, he said.

He said restrictions like the Multi-fibre Arrangement (MFA), which would not expire before July 1996, was a "derogation of the principles of free trade and an erosion of the law of comparative advantage."

The MFA provides importing countries the right to impose restrictions un-

der certain conditions but the right is accompanied by an obligation to ensure stability and reasonable growth in the trade.

Mr Go hoped the United States would reconsider its intention and keep the multilateral trading system open and free.

He said more than 50 per cent of Malaysia's textile exports went to the United States and the European Economic Community.

Export earnings from textile garments would exceed \$1 billion by the end of this year, he added.

The textile and garments industry at present employs about 60,000 workers and earns about \$800 million in foreign exchange.

Mr Go urged textile and garments manufacturers to intensify their trade promotion to other markets, particularly those in Japan and other West Asian countries.

"My Ministry will co-operate and help textile manufacturers to device strategies and formulate programmes to capture markets in these two regions," he added.

NEW PARTY JOINS BARISAN NASIONAL

Kuala Lumpur NEW STRAITS TIMES in English 9 Jan 84 p 1

[Text] Kuala Lumpur, Sun.--The Parti Bansa Dayak Sarawak (PBDS) became the newest member of the Barisan Nasional when its application for membership was approved today.

This was announced by Datuk Seri Dr Mahathir Mohamad after chairing the 90-minute BN Supreme Council meeting.

The proposal was moved by Parti Pesaka Bumiputera Bersatu (PBB) and was seconded by the Sarawak National Party (SNAP) which had vetoed the PBDS application last year.

The Sarawak United People's Party (SUPP), another member of the Sarawak BN, also supported the motion.

The PBDS, led by Energy, Telecommunications and Posts Minister, Datuk Leo Moggie, was formed in July last year by former members of SNAP.

SNAP, which had earlier stood firm on its decision to block the party entry into the Sarawak BN, changed its stand after the Dayak-based party won six of the 16 seats it contested in the recent State elections.

Unanimous

"The PBDS became a member during the council meeting this afternoon. The decision was unanimous," said the Prime Minister at a Press conference.

He said the council also congratulated the party for its success in its first outing.

"PBDS representatives were invited to take their seats in the council when the party was admitted into the BN," said Datuk Seri Dr Mahathir.

When asked whether action would be taken against SNAP for fielding candidates to contest against those of BN, Datuk Seri Dr Mahathir said: "I have not received any official report on the matter."

CSO: 4200/536

SAMY RE-ELECTED PRESIDENT OF MIC

Kuala Lumpur NEW STRAITS TIMES in English 23 Jan 84 p 1

[Article by Visa Veerasingham, Sabry Sharif]

[Text] Kuala Lumpur, Sun.--Incumbent Datuk S. Samy Vellu today retained the post of MIC president with a landslide victory as expected.

At 11.45 pm, Datuk Samy Vellu had amassed 13,421 votes (99.2 per cent) of the 13,526 votes counted as against 35 for the Circular Road branch chairman Mr Y. Thomas, the only challenger.

There were 70 spoilt votes.

The total number of votes cast was 13,636 but 110 ballot papers from the five MIC branches in Perlis have yet to be counted.

The counting of the remaining votes will be done at 2.30 pm tomorrow followed by the declaration of the MIC president for the next four years.

The voter turn-out was 88.17 per cent.

There were three MIC branches, with a total of 66 eligible voters, which did not cast ballots in apparent protest against Datuk Samy Vellu's candidacy. They are Mr Thomas' Circular Road branch (Federal Territory), the Tanjung Bungah branch (Penang) which seconded Mr Thomas' nomination and the Jalan Kastam branch (Port Klang).

Only officials of the 734 party branches were eligible to vote.

Counting of votes began at 4 pm at the MIC headquarters, off Jalan Tun Ismail.

The run-up to the election turned out to be a dull affair and at the Batu Caves branch, where Datuk Samy Vellu and branch officials turned up this morning to cast their votes, everything was over in a matter of minutes.

This lack of excitement is also an expected feature in all other branches bearing in mind that Mr Thomas, the only other candidate, has been cast in the role of a "spoiler" rather than a contender.

However, Mr Thomas is expected to file an objection to Datuk Samy Vellu's candidacy with the party central working committee (CWC) and he has indicated that he may seek court action if not satisfied with the CWC decision.

Mr Thomas is understood to be backed by Port Klang MP, Mr V. Govindaraj, who has considerable grassroot support, and he was thus also seen by some as a proxy candidate for Mr Govindaraj.

However, Mr Govindaraj's base is in Selangor and his influence which has been on the decline since he fell out with his mentor, was not sufficient to make a noticeable impact.

This morning Datuk Samy Vellu, who is also the Works Minister, declined to comment on the candidacy of Mr Thomas for the party's top post. Datuk Dr K. S. Nijhar, who is the incumbent's election agent, merely retorted: "Who is Thomas?"

Mr Thomas's candidacy was generally seen as a protest against Datuk Samy Vellu who expelled him from the party on Feb 16 last year. A High Court injunction two months later saw him reinstated.

By the end of last month, delegates from 60 MIC branches had unanimously passed a resolution backing Datuk Samy Vellu for the party's top post.

When nominations closed on Jan 5, there were 112 in favour of Datuk Samy Vellu while two favoured Mr Thomas.

In the light of this and the fact of Datuk Samy Vellu's experience at the helm of the party as opposed to Mr Thomas' relative lack of exposure to top level leadership, the election results were a foregone conclusion.

Datuk Samy Vellu also won by a landslide in a three-cornered fight in the previous presidential election of March 21, 1981. He polled 13,115 votes against 422 and 251 votes drawn by Wild Life Department chief clerk, Mr R. Vellasamy and school gardener Mr R. Perumal respectively.

However, the fallout between the party chief and his protege Mr Govindaraj early last year brought about another round of internal conflict.

Despite Mr Thomas' dispute over the party chief's candidacy, this overwhelming show of support should place Datuk Samy Vellu in a very comfortable position to steer the party to less troubled waters.

CSO: 4200/336

NEW CHINESE PARTY IN SARAWAK POSSIBLE

Kuching THE BORNEO POST in English 14 Jan 84 p 1

[Article by R. Jarrow]

[Text] Kuching, Fri:--There is a very strong possibility of another Chinese party being formed in the near future in the state.

Highly informed sources say that the proposed party to be known as the United Sarawak Chinese Organisation is being formed by the remnants of the defunct Sarawak Chinese Association.

The sources identified Mr Cheng Yew Kiew as one of those engineering the move to form USCO, which they said has the support of certain prominent Chinese businessmen and politicians.

In fact, the draft constitution was said to have been submitted to the Registrar of Society last year, but it was not actively pursued due to financial reasons.

The funds promised by those leading Chinese personalities were not forthcoming, they said.

However, the protem committee is seriously looking into the financial aspects in order to "revive" the idea of forming the party.

Observers said that the reason for forming the party is to cater for those Chinese who are neither with SUPP nor with DAP.

The then Sarawak Chinese Association headed by timber tycoon Datuk Ling Beng Siew was a partner in the Sarawak Alliance government under Datuk Stephen Kalong Ningkan and later Datuk Tawi Sli.

But when the Sarawak Coalition government was formed between Parti Bumiputra and the Sarawak United People's Party in 1980, SCA's participation was rejected by SUPP.

Some years later it died a natural death, but some of its members joined SUPP.

A prominent among them was Datuk Chia Chin Shin, who was later appointed an Assistant Minister for Welfare.

CSO: 4200/538

SUPP, UMNO YOUTH, WANITA OPPOSE SNAP EXPULSION

Kuching BORNEO POST in English 7 Jan 84 p 1

[Article by Jack Wong]

[Text] Kuching, Fri.--The Sarawak United People's Party (SUPP) will not agree to the expulsion of Sarawak National Party (SNAP) from the Barisan Nasional.

"We don't advocate the expulsion of SNAP from the Barisan Nasional at this juncture as we feel that the party still claims and adheres to the Barisan Nasional concepts," SUPP Secretary-General, Datuk Dr Wong Soon Kai, said today.

Making clear the stand of his party on the SNAP issue, Datuk Wong said: "It may be too drastic to expel them (SNAP) from the Barisan Nasional, and I don't think it needs to come to that far."

However, it is understood that the SUPP felt that certain disciplinary actions might need to be taken against SNAP for what the party had committed in the recent state elections.

In an interview, Datuk Wong said that the stand of the SUPP on the SNAP issue had been made known to the state Barisan Nasional chairman and Chief Minister Datuk Patinggi Haji Abdul Tab Mahmud after his party's Central Working Committee meeting late last week.

It was learnt that the stand of the party on the SNAP issue was a collective decision of the CWC.

The fate of SNAP, whether it will be retained in the Barisan Nasional or not, is expected to be made known after the national BN Supreme Council meeting to be chaired by Datuk Seri Dr Mahathir Mohamed in Kuala Lumpur on Sunday.

The issue is the latest interesting political subject which is currently the talk of the political circles, especially after PBB Youth Wing adopted a resolution early this week, calling for the expulsion of SNAP from Barisan Nasional.

SNAP joined the Barisan Nasional government in 1976 with 18 assemblymen. Its representatives in the present Council Negeri are reduced to only eight.

Datuk Wong, who was sworn in with Datuk Haji Noor Tahir and Puan Hajjah Hafsah Harun as Barisan Nasional Supreme Council members two days ago, said that SUPP would be represented by its chairman, Datuk Amar Stephen Yong (who is also Federal Minister for Science, Technology and Environment), treasurer, Tan Sri Datuk Amar Sim Kheng Hong (who is Deputy Chief Minister) and himself to the national BN meeting.

Meanwhile, the SUPP Kuching Youth and Wanita Sections also shared the same sentiment of the party in the stand on the SNAP issue.

A delegation from both the Youth and Wanita sections this afternoon met Datuk Dr. Wong discussing the matter.

CSO: 4200/538

MALAYSIAN CAR SUCCESSFULLY TESTED

Kuching THE BORNEO POST in English 11 Jan 84 p 2

[Text] Kuala Lumpur, Tues.--The Malaysian car has been successfully tested in Japan and its final prototype will be produced in May this year, HICOM executive director Haji Mohd Saufi Abdullah said today.

He said the car, based on its initial prototype, had been completely built and tested recently by HICOM's partner Mitsubishi Motors Corporation in Japan.

The test results, he added were positive.

Speaking at the launching of the "Name the Malaysian Car Contest" here, Haji Saufi said Mitsubishi would start making the final prototype and other necessary arrangements for the car's mass production.

He said the production line for the assembly of cars would only hit the road two or three months later as the manufacturers need some time to build up sufficient stocks.

Haji Saufi added that HICOM's multi-million ringgit car assembly plant in Batu Tiga was now 15 per cent completed.

He hoped the project would be completed by early next year so that installations could be made in time.

The plant would have initial production capacity of 20,000 units a year. For the first time, robots would be used in the production.

The national car would come in two versions--1300 CC and 1500 CC--and consists of four models--two models each for every version.

However, only 1300 CC four-door saloons would be produced initially.

Haji Saufi also said that HICOM would set-up a subsidiary company soon to undertake the marketing and distribution of the national cars.

HICOM would later invite Bumiputera participation in this company, he added.

On the contest, Haji Saufi said the competition is opened to all Malaysians aged 15 and above.

The closing date is Feb. 22 and the results will be announced not later than April this year.--Bernama

CSO: 4200/538

TEXTILE EXPORT MAY PASS BILLION DOLLAR MARK

Kuala Lumpur BUSINESS TIMES in English 9 Jan 84 p 2

[Article by Muharyani Othman]

[Text]

EXPORT earnings from textiles and garments are expected to breach the one billion ringgit mark by the end of this year, Deputy Trade and Industry Minister, Mr Oo Gin Sun said yesterday.

The industry provides employment for about 60,000 people and earns more than \$800 million in foreign exchange.

Mr Oo said the United States and the EEC, the two principal markets, which accounted for over 50 per cent of the country's exports, would still feature importantly in the continued growth and expansion of Malaysian textile and garment exports.

"The market pattern prevailing at the moment is not expected to change in any significant manner. Nevertheless, the present strong and buoyant market situation in the US should be enough impetus for textile manufacturers to increase their exports."

"Although the EEC is presently experiencing a slow recovery, broader-based predictions indicate a stronger recovery in 1985. Any preparatory effort undertaken now will only put textile manufacturers in good stead."

The Deputy Minister

was speaking at the opening of the new premises of Imperial Garments Sdn Bhd at the Tasek industrial site in Ipoh.

He said although the US and EEC were important export outlets for Malaysian textiles, equal efforts should be directed to other markets as well, particularly Japan and the West Asian countries.

"There should be an intensive and concerted campaign to promote our exports and to gain a strong foothold in these markets."

The Deputy Minister also said that increasing protectionism in the international textile trade and the various forms of regulation such as the Multi Fibre Arrangement (MFA), had all produced disturbing and damaging effects on the local textile industry.

He viewed the MFA as a derogation of the principles of free trade and an erosion of the law of comparative advantage.

"The MFA, in laying down a so-called balance of rights and obligations, among other things, provides importing countries of the developed world the right to impose restraints under certain conditions so long as the

exercise of this right is accompanied by an obligation to ensure stability and reasonable growth in trade."

The MFA is due to expire in July 1986.

Mr Oo said Malaysia was also on the threshold of renegotiating its textile agreement with the United States as the present one is due to expire at the end of this year.

"However, the US government's recent announcements in respect of textile and garment imports, are both alarming and disturbing."

It had announced a number of criteria for addressing import increases to establish presumption of market disruption namely:

- Total growth in imports in that product is more than 30 per cent in the most recent year or where the ratio of total imports to domestic production in that product is 20 per cent or more, and

- Imports from the individual supplying country equal one per cent or more of total US production of that product.

"Bearing no relation ship to the provisions and procedures of the MFA

and unilateral in nature, these criteria not only run counter to the spirit and intent of the MFA but may yet threaten the very foundation of the current system governing international trade in textiles.

"It is felt that the US in so doing manifests its intention to change the rules of the game although the MFA is not due to expire until three years later."

"Malaysia holds strongly the view that the concept of presumption of market disruption does not hold water and we cannot accept it as a valid basis for discussion," Mr Oo said.

He added that the laudable expressions of commitment to halt protectionism such as the ones voiced at recent summits in Williamsburg and Paris were mere noises in the air.

"What we would like to see the US do is a demonstration of resolve beyond doubt to keep the multilateral trading system open so that the present world economic recovery could be sustained," the Deputy Minister said.

PALM OIL OUTPUT TO PEAK IN EIGHT YEARS

Kuala Lumpur BUSINESS TIMES in English 24 Jan 84 p 1

[Article by Phuah Eng Chye]

[Text]

BASED on present trends, Malaysia's production of palm oil is projected to peak in 1992 with output reaching an estimated 5.7 million tonnes.

Following that, production can be expected to decline due to slower rates of new planting, according to Mr Chow Chee Sing of the Palm Oil Research Institute of Malaysia (Porim).

Speaking at a palm oil products seminar yesterday, Mr Chow says that based on present estimates for new planting, replanting and yield, total palm oil output will probably climb from 3.5 million tonnes in 1982 to 4.2 million tonnes in 1985.

According to his reckoning, output will reach 5.6 tonnes in 1990 but total production would proba-

bly drop to 5.2 million tonnes by 2000.

Mr Chow noted that these trends implied an expected average growth rate of about 8.2 per cent per annum between 1983 and 1990. This compared with the expected growth rate of 13.6 per cent between 1980 and 1983.

In conjunction with this, he noted that the total area under oil palm in Peninsular Malaysia would only reach an estimated maximum 1.51 million ha after 2000.

For Sabah and Sarawak, the total area under palm oil would be unlikely to exceed 220,000 ha at the turn of the century.

He added that these projections did not include the impact on production made by the introduction of the

pollinating weevil or the possible commercial adoption of the tissue culture techniques due to lack of empirical evidence.

His projections show a similar output pattern for palm kernel and palm kernel oil. Production figures for these are forecast to peak at 1.55 million tonnes and 689,000 tonnes in 1992 respectively.

The scenario painted by two industry analysts, Mr H.J. Wood from Ebor Research and Enock Yusof Basiron from Porim confirmed that oil palm was likely to remain Malaysia's glamour crop for a while to come.

In their survey of alternatives uses of agricultural land, they point out that the realistic commercial options for the

moment were oil palm, rubber and cocoa.

Of these, several economic factors favour the choice of oil palm, they argued. The long-term price outlook for palm oil was bright, and the return on investment for the crop was more attractive than that for rubber and cocoa. Mr Wood and Enock Yusof said.

For example, although the total planted area for oil palm was half that of rubber, the former contributed \$3.8 billion in export revenue in 1983 against \$3.6 billion from rubber.

Another important factor was that oil palm required about one worker to eight ha against a ratio of one to four for rubber and one to six for cocoa.

IMPORTS OF UREA TO CEASE WITH START-UP OF BINTULU PLANT

Kuala Lumpur NEW STRAITS TIMES in English 27 Jan 84 p 3

[Text]

MALAYSIA'S imports of urea from the PT Asean Aceh Fertilizer Plant (AAF) will cease when its own urea project, the Asean Bintulu Fertilizer Sdn Bhd, comes on stream in 1985.

This was disclosed in an article in the latest issue of *Nada Petronas*, a monthly publication of the national oil corporation.

The AAF is one of two fertilizer companies undertaken by member countries under the Asean industrial projects programme. Under the AIP agreement signed in 1978, Asean countries with the exception of Singapore will constitute the main markets for the fertilizer produced.

The shares in Malaysia's urea project, the Asean Bintulu Fertilizer Sdn Bhd (ABF) are held by Petronas (60 per cent), Indonesia, Thailand and the Philippines (13 per cent each) and

Singapore (one per cent).

According to the publication, Malaysia has made an order for 100,000 tonnes from AAF and the first shipment of 10,000 tonnes has already arrived at Port Kelang.

Three ports - Port Kelang, Penang and Pasir Gudang - have been selected as discharging centres for the urea.

The marketing manager of the urea marketing department in Petronas, Encik Shamsudin Basir, said Petronas hoped to supply 60,000 tonnes to the government under the padi fertilizer subsidy scheme.

The balance of 40,000 tonnes will be sold to the private sector which has traditionally relied on supplies from Europe, the Soviet Union and West Asia.

He said the urea for the padi fertilizer subsidy scheme will be supplied through Konsortium Peladang comprising four farmers' monitoring and

business organisations namely Pertubuhan Peladang Kebangsaan, Syarikat Perniagaan Peladang Mada, Syarikat Perniagaan Peladang Kada and Syarikat Majutani Kedah Sdn Bhd.

Two Bumiputera companies have been selected to undertake the unloading of the urea from the vessel to the storage area at Butterworth and Port Kelang and handling other work such as bagging and storing the fertilizer.

Syarikat Zanitra Services Sdn Bhd will be handling operations at the Penang port and Urusan Dagangan Sdn Bhd will undertake similar operations at Port Kelang. Operations at the Pasir Gudang port have not yet commenced.

The Perbadanan Nasional Shipping Line (PNSL) has been appointed to transport the urea from Aceh to Malaysia.

CSO: 4200/537

ITALY EXTENDS NEW CREDIT

Kuala Lumpur BUSINESS TIMES in English 27 Jan 84 p 24

[Article by Adlin M. Zabri]

[Text]

RELATIONS between Italy and Malaysia were given a tremendous boost yesterday in the form of a second line of credit amounting to US\$200 million (\$466 million) extended to the Malaysian government.

The Italian government had in 1981 extended US\$100 million credit to finance projects of mutual interest.

Disclosing this to the Press on his arrival at Subang International airport, the Italian Deputy Minister of Foreign Affairs, Mr Bruno Corti, said further discussions with the Malaysian authorities would be needed to identify the areas that the credit could be channelled to.

"Of course we are keen to utilise the credit for joint-venture projects between the two countries. But we are not imposing any particular conditions," Mr Corti said through an interpreter.

The Italian delegation, here for the inaugural meeting of the Malaysian-Italy joint commission, comprises senior

government officials from the ministries of foreign affairs, foreign trade and finance and representatives of the private sector.

The establishment of the joint commission was provided for in the agreement on economic and technical cooperation signed by the two countries in July last year.

Mr Corti hoped the three-day meeting would strengthen the political, economic and industrial cooperation between the two countries especially through bilateral trade, joint ventures and investments.

The possibility of increasing direct trade from Malaysia would be one of the main items on the agenda. A substantial portion of Malaysian goods is presently exported to Italy through Singapore and London.

Mr Corti said two-way trade between Malaysia and Italy was about \$600 million last year, slightly in Malaysia's favour.

He said the size of the Italian delegation, totalling over 40 members, reflected the country's ser-

iousness to seek and identify some specific projects of mutual benefit. The private sector representatives ranged from those in energy and petro-chemicals to those in motor vehicle manufacture and agro-based industries.

Mr Corti said Italy hoped to sign an agreement with Malaysia on avoidance of double taxation. This would help upgrade investment in both the countries, he added.

The Italians would be setting up a special fund for technical assistance to Malaysia, in fields for which expertise was requested.

They would also be setting a vocational training institute in Kuala Lumpur. *Business Times* understands that the Minister of Education, Datuk Dr Sulaiman Daud, has been informed on the proposal.

Another area in which the Italians would like to share their knowledge and experience would be in the development of medium and small-scale industries, Mr Corti said.

Bernama adds: Deputy Foreign Minister Encik Abdul Kadir Sheikh Fadzir said there were a number of projects being discussed between Malaysia and Italy for possible Italian assistance in energy, agriculture, small-scale agro-based industries farm mechanisation and professional training.

Speaking at the inaugural meeting of the Malaysia-Italy joint commission, he said the negotiations were taking place between the Economic Planning Unit in the Prime Minister's Department and the Italian government.

Encik Kadir is leading the Malaysian delegation to the three-day meeting.

He said Malaysia had benefited from the technical assistance provided by the Italian government.

"Programmes in Malaysia include technical assistance given by the Italian Road State Administration to the Malaysian Highway Authority," he added.

ITALY TO TRAIN NAVY PERSONNEL

Kuala Lumpur NEW STRAITS TIMES in English 28 Jan 84 p 2

[Text] Kuala Lumpur, Fri.--Italy has agreed to train Royal Malaysian Navy personnel, Deputy Defence Minister Abang Abu Bakar Mustapha said today.

The first batch of 30 RMN personnel is expected to leave for Italy in the middle of the year to be trained in minehunter operations.

Three other batches are expected to follow suit by the end of this year and next year.

All the batches will also bring back the RMN's four 'Lerici' class minehunters costing \$380 million. The vessels are being built in Spa, Italy.

"Two of the minehunters are ready and expected to go for sea trials in May," said Abang Abu Bakar after meeting Italian Deputy Foreign Affairs Minister Mr Bruno Corti at the Ministry of Defence this morning.

Mr Corti arrived yesterday as part of the Italian delegation to the inaugural meeting of the Malaysian-Italy joint commission. The joint commission was set up under the economic and technical co-operation agreement signed in July last year.

The third and fourth minehunters are being built and are expected to be completed by next year if there are no delays, said Abang Abu Bakar.

It was reported last year that the four RMN minehunters could not leave the dockyards when completed because a bridge spanning the dockyards was too low for the ships to pass under. This has been overcome.

The 'Lerici' class minehunters will replace the ageing and unoperational 'Ton' class minesweepers, K. D. Brinchang and K. D. Tahan which were commissioned in 1966.

CSO: 4200/537

MALAYSIA TO CHANGE TIN MARKETING SYSTEM: MAHATHIR

Kuala Lumpur BUSINESS TIMES in English 23 Jan 84 p 1

[Article by Hardev Kaur]

[Text] Malaysia has decided it will take steps to change the marketing system for tin to help ensure that the prices of the metal reflect the cost of production.

Datuk Seri Dr Mahathir Mohamed told the Foreign Police Association and the World Affairs Council in Washington DC that Malaysia had been considering such a move for quite sometime.

The Prime Minister said the change was necessary because the price of the metal has been determined by the brokers and traders on the London Metal Exchange (LME) and whether the price moves up or down these traders and brokers make money.

In fact, the price quoted on the LME had no relation to the cost of production at all. In addition, the price was quoted in a currency that was subject to frequent fluctuations, thereby further affecting the earnings of the tin producers.

While Dr Mahathir did not elaborate, it is understood that he was referring to the introduction of tin futures on the Kuala Lumpur Commodity Exchange (KLCE).

The tin futures expected to be launched in March would provide tin producers in the country a say in the pricing of the metal. The price will be quoted in the Malaysian ringgit.

The introduction of tin futures would also mean that producers and the Malaysian tin industry would be directly involved in the whole spectrum of the industry, from production to marketing.

Asked why Malaysia was scaling down its external borrowings even though its foreign debt service was very low, the Prime Minister said that the government believed in settling its debts before seeking additional borrowings.

Dr Mahathir said that the government had sufficient funds to implement priority projects. Those postponed would be implemented in due course.

The Prime Minister said that the government was also generating funds within the country by selling off some of its properties. "We do not want to be caught in a situation like Brazil," he said, adding his government followed pragmatic policies.

Meanwhile, in an interview with Biznet, a close NT network, Dr Mahathir said that the country's growth rate for 1984 was expected to be more than six per cent which he said was quite good by any standards.

This growth rate is higher than the one projected by the Treasury in its economic report as well as by Bank Negara. The Prime Minister's optimism is shared by Chase Econometrics which has forecast a growth rate for the country of 6.6 per cent.

On prospects for US trade and investments in Malaysia, he said that people who had invested in the country were apt to do very well and they kept on expanding their investment in the country.

"Our special strength is the fact that we have a very stable government and a government that has followed a very consistent policy and that is friendly towards investors," he added.

The Prime Minister said that he would like to see the electronic factories operating in the country to go downstream into sub-assembly and production of finished goods.

Investors should also move into other areas of manufacture which utilised Malaysia's resources.

During a meeting with US Secretary of State Mr George P. Schultz, bilateral matters including trade and investment were discussed, particularly the need for access for Malaysia's manufactured goods into the US market.

Dr Mahathir told Mr Schultz that prosperity in the US would also mean prosperity for the rest of the world and that was why Malaysia and the other developing countries were happy to see the US prosper.

CSO: 4200/537

NATION'S FIRST PULP, PAPER MILL APPROVED

Kuala Lumpur NEW STRAITS TIMES in English 28 Jan 84 p 1

[Text] Tenom (Sabah), Fri.--The Federal Government has given the Sabah Government the go-ahead to set up Malaysia's first pulp and paper mill in Sipitang near here, Chief Minister Datuk Harris Sallah announced today.

He told them the project would bring substantial economic benefits to not only the people in Sipitang, Tenom and Beaufort but also the State and the country.

The mill would be located about eight kilometres south of Sipitang town within an average distance of 30km from 265,275 hectares of forest in Lumaku, Ulu Padas and Ulu Sungai Padas.

In addition to the pulp and paper mill, the project would include sawn timber and plywood mills, a power generating plant using waste wood, a jetty and access road and a housing colony and township.

"The project will create about 3,530 direct job opportunities, both within the mill complex and in the forest and reafforestation operations, in what is generally an under-developed region," he said.

Sipitang was selected for the project not only because of the vast forest area around it but also because of the nearby shipping routes and its relatively lower potential for agricultural and other industrial development.

Turn-key

The integrated timber, pulp and paper project is implemented by the Sabah Forest Industries Sdn Bhd, a wholly State Government concern, whose equity contribution to the company would be \$375 million.

"The Federal Government has given the State Government approval to provide the guarantee on loans and export credits totalling \$889.88 million to be extended to the company by local and foreign institutions.

"Export credits amounting to \$602.82 million have already been tied up. Offers for the balance of \$287.06 million are under consideration."

The turn-key contractors for the project are a consortium comprising Klockner Stadler Hurter of Canada, Voest-Alpine of Austria and K. L. Ockner Industrie Anlagen of West Germany.

The turn-key construction contract amounts to \$793.19 million.

Datuk Harris said efforts to start a pulp and paper industry in Sabah had been underway since 1977 when the project was proposed for the State by the Federal Government and approved by the National Action Council.

He also said various proposals were considered and after detailed feasibility studies, tenders were called in 1982 and 14 qualified contractors were invited for turn-key construction.

Five international tenders were received and evaluated by a State negotiations team with the assistance of Hans Rahm Engineering of Switzerland as technical advisers and Bank of America, together with the Sabah Development Bank, as financial advisers before the contract was awarded to the consortium.

The pulp and paper mill would produce a minimum of 125,000 tonnes of printing and writing paper annually, the sawmill 106,000 cubic metres of sawn timber and the plywood mill 114,000 cubic metres of plywood.--Bernama

CSO: 4200/536

NEW GOVERNMENT STRATEGIES TO HELP BUMI TRADERS

Kuala Lumpur NEW STRAITS TIMES in English 27 Jan 84 p 3

[Text] Kuala Lumpur, Thurs.--The Government announced today that all local manufacturers must appoint Bumiputera agents as part of their sales outlet.

In the meantime, some Government tenders will be awarded to Bumiputera entrepreneurs through negotiations without the payment of deposits and not through open tender.

Finance Minister Tengku Razaleigh Hamzah said today at the fourth annual meeting of the Bumiputera Entrepreneurs and Executive Association (PESUMA), the decision was part of the Government's strategy to help Bumiputera entrepreneurs to make an impact in the economic activities.

Contracts

Other strategies which the Government have decided to implement to help Bumiputera entrepreneurs are: [as published]

.Manufacturers of new canned and bottled food are limited to Bumiputera entrepreneurs only.

.Government construction contracts will be awarded only to qualified Bumiputera contractors.

.Supply tender to the Federal Government, State Government and Statutory bodies will not be awarded to foreign suppliers if there are local suppliers available.

.All Government print which cannot be carried out by Government printers will be given to Bumiputera printers that are registered with the Finance Ministry.

Tenku Razaleigh said these strategies have been agreed by all the Ministries involved.

"The Government would like to see the growth of new breed of Bumiputera businessmen and industrialist who are really involved in all economic activities."

He said the steps taken by the Government were to encourage Bumiputeras to participate actively in the manufacturing field and to encourage the growth of Bumiputera agents.

The Minister said the Government encourages Bumiputera companies to merge with other Bumiputera companies and not confine themselves on "family" business.

"Mergers are encouraged because expertise and capital among them are secured and success is guaranteed. They can even compete with other entrepreneurs."

CSO: 4200/536

SHELVED PROJECTS MAY AFFECT NATION'S INDUSTRIALIZATION PLAN

Kuala Lumpur NEW STRAITS TIMES in English 23 Jan 84 p 3

[Article by Patrick Pillai]

[Text] The postponement of two major projects by the Standards and Industrial Research Institute (Sirim) may affect the country's industrialisation programme, says Science, Technology and Environment Minister Datuk Amar Stephen Yong.

He confirmed a recent statement by Sirim's outgoing controller, Encik Abdullah Yusof, that the proposed Foundry Technology Centre in Ipoh and the Plastics Centre in Shah Alam have been temporarily shelved.

"These delays are unfortunate and will affect the smooth implementation of the country's industrialisation plans," he said in an interview.

However, he added: "The projects are postponed, not cancelled. The delay is not due to negligence on the part of anyone but is an effect of expenditure cuts brought about by the recession. They will be completed as soon as funds become available."

"The foundry centre is needed to provide training and expertise in industry. Given the Korean and Japanese experience, we know such facilities are important for the private sector."

A 15-acre site has already been acquired for the Foundry Centre in Lahat, near Ipoh, which has a large number of foundries catering to the tin industry. Construction costs are estimated at \$9 million and equipment a further \$8 million.

The consultant's plan and tender documents are ready but lack of funds has held up the construction of the centre, which will take three years to complete.

The centre will benefit the country's 160 foundries, most of which are backyard industries badly in need of modernisation. It will provide testing services and aid product-development, quality control, training and trial manufacturing.

The modernisation of this industry has an essential back-up role to play in a number of ambitious industrialisation projects which have already begun. Most notable is the supply of components for the Malaysian car.

The vice-chairman of the Malaysian Iron and Steel Federation, Mr. Soong Siew Hoong, suggests funds be sought from international agencies and foreign Governments to get the project off the ground.

"The Government is not giving the centre the priority it deserves. Foundry technology is very backward in this country and, with a few exceptions, quality is inconsistent and not good enough for motorcar parts.

Accurate

Castings are of poor quality. "The best machine tools are of little use if castings are not good."

Two related centres set up with Japanese assistance to support the engineering industry--the Metal Industry Technology Centre (Mitec) and the Metal Industry Research and Development Centre (MIRDC)--are already operational.

Mitec assists firms dealing with electroplating, welding, diemaking, and presswork--activity essential in motor-vehicle assembly.

MIRDC deals with aspects of metal usage--including stress and hardening and with precision-tools, moulds, jigs and fixtures for the metal, plastics and related industries.

The other delayed project is the \$7 million Plastics Centre. A site has been found and tenders have been called but lack of funds has stalled work.

The centre was planned to help the local industry improve quality and increase specialisation. There are about 300 plastics factories in the country, with a yearly turnover of \$400 to \$500 million and a growth rate of 15 to 20 percent. The industry employs about 25,000 workers.

In addition to its wide-ranging industrial testing facilities, Sirim also runs two technology centres catering for small industries and the National Metrology Laboratory, which establishes accurate means of weights and measures.

There has been talk of establishing support for other growing industries like construction, ceramics, glass and chemical engineering. But given the cutbacks, these plans will take longer to materialise.

Sirim's operating expenditure in 1983 was \$10.4 million. Operating costs were estimated at \$20.3 million for 1984, but were scaled down by half (to \$10.8 million) because of the recession.

Development expenditure was \$4.3 million in 1983 and about \$4.4 million has been allocated this year.

Industry sources hope that the Industrial Masterplan, due to be ready by next March, will provide a more clear, purposeful and, perhaps, enhanced role for Sirim in an industrialising country where research and development takes up a relatively low percentage of public and private resources.

CSO: 4200/536

BRIEFS

LIBYAN FINANCIAL AID FOR UNIVERSITY--Kuala Lumpur, Thurs.--The Libyan Government has promised to finance the construction of science laboratories, a library and a cultural centre for the International Islamic University (IIU) here. Culture, Youth and Sports Minister Anwar Ibrahim said this yesterday. He returned on Tuesday night from a four-day visit to Libya. He said Libya would also offer scholarships to IIU students and increase its scholarships for Malaysians wishing to study in Libya. Libya had also agreed to increase trade and cultural relations with Malaysia. A trade delegation from Malaysia would leave for Libya at the end of February to explore this offer while Libyan Minister of Youth and Sports Ibrahim Quider would visit Malaysia in April. He said Libya would also extend assistance for dakwah activities in Malaysia, including helping to streamline dakwah centres in Kudat, Keningau and Tengod in Sabah. Encik Anwar said the Libyan Government agreed to upgrade the programme for exchange of students and youth leaders between Libya and Malaysia. Encik Anwar led an eight-member Umno Youth delegation on the Libyan visit which began on Jan. 19.--Bernama [Text] [Kuala Lumpur NEW STRAITS TIMES in English 27 Jan 84 p 6]

RAIS UMNO VICE PRESIDENT--Pasir Mas, Mon.--Umno supreme council member Datuk Rais Yatim today hinted that he may contest the party's vice-president's post at the general assembly this May. Datuk Rais, who is also Land and Regional Development Minister, lost by six votes to Tengku Ahmad Rithauddeen in the last contest. Asked by reporters after opening a rubber smallholders cooperative meeting, he said: "I have to wait and see the reaction to the members. Perhaps it is worthwhile trying again...just once more." [Text] [Kuala Lumpur NEW STRAITS TIMES in English 24 Jan 84 p 2]

CONTEST FOR UMNO YOUTH POST--Bangi, Fri.--There are indications of a contest for the top Umno Youth post between the incumbent, Encik Anwar Ibrahim, and the Deputy Energy, Posts and Telecommunications Minister Datuk Haji Suhaimi Datuk Haji Kamaruddin at the May Umno Youth assembly. Although Datuk Haji Suhaimi, when asked today, declined to state his position, sources close to him are certain he will be in the running. "Datuk Haji Suhaimi will definitely try to regain the Umno Youth leadership which he lost to Encik Anwar in the last election." However, Datuk Suhaimi said the question as to whether he would be contesting against Encik Anwar is a difficult one. "It is still too premature to announce my stand now. I will make it public when the right time comes and as soon as possible," he said. He said he needs "inspiration" to help him make the decision. [Text] [Kuala Lumpur NEW STRAITS TIMES in English 28 Jan 84 p 2]

TECHNICAL COOPERATION PACT WITH PNG--Malaysia will sign a technical cooperation agreement with Papua New Guinea when Mr Michael Somare, the PNG Prime Minister, pays a two-day visit to this country next month. One of the five foreign dignitaries who will be passing through Malaysia during February, Mr Somare will sign the agreement with his Malaysian counterpart, Datuk Seri Dr Mahathir Mohamad when he visits Labuan for two days from Feb. 24. Mr Somare's visit to Malaysia next month will be preceded by those of Prince Norodom Sihanouk, president of the Kampuchean coalition government (Feb. 5 to 14), Prince and Princess Hitachi of Japan (Feb. 13 to 19), the Australian Prime Minister, Mr Bob Hawke (Feb. 14 to 15), and the Thai Prime Minister, Tan Sri Prem Tinsulanonda (Feb. 15 to 17). [Text] [Kuala Lumpur BUSINESS TIMES in English 23 Jan 84 p 1]

CSO: 4200/537

PNG PRAISES JAKARTA'S TRANSMIGRATION POLICY

Kuala Lumpur BUSINESS TIMES in English 23 Jan 84 p 22

[Text] JAKARTA, Jan 22

PAPUA New Guinea Foreign Minister Epel Tito praised Indonesia's controversial transmigration programme in neighbouring Irian Jaya, which he said was helpful in teaching people there methods of cultivation.

In an interview with *Agence-France Presse* here yesterday, Mr Tito also apologised for a statement he made as Defence Minister last September that Indonesia could invade his country within 10 to 20 years.

Many in Papua New Guinea (PNG) view the transmigration policy, which involves moving mostly Javanese to the 800 km (500 mile) frontier area of Indonesia's easternmost province bordering on PNG, as hiding expansionist aims.

Mr Tito added that PNG had a lot to learn from Indonesia.

The minister arrived here yesterday to attend the conference of non-aligned information ministers as an observer. The conference is scheduled to start on Thursday.

Former PNG Deputy Prime Minister Iambakey Okuk criticised Indonesia's transmigration programme in Irian Jaya as a "threat to melanesian culture." However senior officials of the present government have praised the policy as promoting development among the indigenous population.

Last December Indonesia's President told PNG Prime Minister Michael Somare that Indonesia's plan to resettle a million people in Irian Jaya should not threaten PNG.

As Defence Minister, Mr Tito last September said in an interview with Radio Australia that Indonesia had historical designs on PNG and could invade it within 10 or 20 years.

But yesterday he said that he had changed his view drastically, that "when you don't know a person, you make conclusions without any basis," and that the information on which he had based his conclusions were "15 to 20 years out of date."

Mr Tito's September

statement led to his dismissal as Defence Minister by Prime Minister Somare who described the remarks as embarrassing to his government. He was subsequently reinstated as Minister of Information with a lower Cabinet rank.

Asked about the activities of the Free Papua Movement (OPM), which is striving for the separation of Irian Jaya from Indonesia, Mr Tito said he could not interpret OPM's actions, nor could he speak for it because that would be an interference in Indonesian domestic problems.

He said, however, that the movement did not pose a problem for PNG.

During his visit here last month, Mr Somare in his talks with Indonesian Foreign Minister Mochtar Kusumaatmadja said that the OPM would not be allowed to sabotage the good relations between Indonesia and PNG. An estimated 200 OPM rebels are said to be operating in Irian Jaya.

AFT

CSO: 4200/539

PAPUA NEW GUINEA

BRIEFS

OIL PROSPECTS IN SOUTHERN HIGHLANDS--Papua New Guinea's Minerals and Energy Minister, Mr. Pusal, will hold talks this week with Oil Company Officials on what he called significant Gas and Light crude oil results from the Juha Number Two Well in the Southern Highlands. Mr Pusal said the results looked encouraging and he would be in a better position to look at the situation after talks with oil search limited, one of the companies involved in drilling the well. Reports earlier last week said that flows of 24-million cubic feet of gas per day and 1,680 barrels of light crude oil per day had been recorded from the well. [as published] The Juha number one well produced similar results last year and was the first important oil discovery in Papua New Guinea since Independence. However, Papua New Guinea Government Officials said large amounts of gas and oil will have to be proven for commercial production because the Juha two well is about 300 kilometres from the coast in rugged country. [Text] [Honiara SOLOMON STAR in English 10 Feb 84 p 8]

CSO: 4200/539

PIMENTEL ANALYZES 'OMINOUS SIGNS' OF PLEBISCITE, COMELEC

Cebu City VISAYAN HERALD in English 4 Feb 84 p 3

[Article by Cagayan de Oro Mayor Aquilino Pimentel Jr in the "Pimentel Speaks" column: "Ominous Plebiscite"]

[Text] Thirty cases of ballot-box snatchings by armed men were reported in the province of Misamis Oriental, including two in the city of Cagayan de Oro during the plebiscite on January 27. Two persons were reported killed in plebiscite related incidents on the same day in the province.

These are ominous signs that should sufficiently alert government authorities, particularly for the parliamentary elections in May of this year.

Never before have armed spirited ballot boxes away in Misamis Oriental and much less in Cagayan de Oro. We have heard of such acts of defiance of legal processes in the Lanao provinces or in central Luzon but not here. But now, even Misamis Oriental and Cagayan de Oro, which in the not too distant past used to be the most peaceful of places, are no longer spared such derring do so contemptuous of government.

It was, however, only such illicit activities that gave life to the plebiscite which merely elicited a lukewarm response from the people in this area. Speaking of Cagayan de Oro alone a scant 30 to 35 percent of the registered voters bothered to cast their ballots. In Misamis Oriental, I am told the ratio is a little bit higher. But in the Lanao areas the ratio is even lower. Thus, a number of people are alarmed by the blatantly cavalier announcement supposedly emanating from the COMELEC that the national average could get to 85 percent of the nation's registered voters. People know that in their places the turnout was low and no amount of optimistic projections could alter the truth.

Propagandists for the government tend to excuse the low turn out where this is admitted to the non partisan character of the plebiscite or in Cagayan de Oro, to the alleged inclement weather when in fact it was a good dry day in the city on January 27. It is apparent that the government cannot accept the fact that there is a general feeling of distrust of the electoral process occasioned by the manipulation of previous plebiscites, referenda and elections during the last several years of martial rule. Hence, the tepid reception of

the issues submitted in the plebiscite. This is something that should cause apprehension to all. For if people no longer take the ballot seriously, they may begin to try the bullet instead as a means to effect change in the country.

The COMELEC's seeming proclivity to create the impression that people still flock to the polls to give explicit support to the regime despite their palpable absence from the precincts does not help any one. Not even Marcos or his government. On the contrary, such obvious pandering to the whims of the ruler makes for more mistrust in the electoral process, heightens resentment against the government and will eventually lead to overt acts of defiance of legal authority.

If the COMELEC is perceived publicly as an unreliable arbiter of the people's will, what's to become of the elections in May of this year? The elections will no doubt be taken by the people as another make believe exercise to deceive the people that they have a say in the election of their leaders and the free world that there is a working democracy in the country.

It is most important, then, that the COMELEC be reorganized and people known for their wisdom, probity and independence of mind be asked to man that body. Because it is only when the COMELEC can again inspire the people's trust as in the days when Jimmy Ferrer was the COMELEC chairman that the electoral process can win back its credibility that has been lost since martial rule was imposed in 1972.

CSO: 4200/529

LABOR GROUP: MARCOS 'PLAYING TRICKS' WITH PDA SUSPENSION

Cebu City VISAYAN HERALD in English 4 Feb 84 pp 1, 12

[Text] MANILA (AFP)--The militant Kilusang Mayo Uno (KMU) labor movement in the Philippines today said "President Ferdinand Marcos is playing tricks on the people again" and called the coming national assembly elections "a farcical political exercise".

The KMU issued the statement on the eve of their planned massive march to and rally at a central square to denounce continued widespread poverty in the face of government claims of progress under authoritarian rule and the rising unemployment due to the mismanagement of the economy.

The movement said it was another trick when Mr. Marcos suspended the issuance and service of preventive detention action (PDA) orders under which suspects in national security cases can be held indefinitely ostensibly to encourage participation in the May elections

"The demand of the organized section of the people is the abolition not merely the suspension of this obnoxious presidential order (PDA)," the KMU statement said.

The PDA "continue to hang like the sword of Damocles over the head of every freedom loving Filipino" and by suspending it, the government attempts to "entice the political opposition to participate in a farcical political exercise."

It said that suspension does prevent those "militantly opposed to political repression" from being arrested after the lapse of the suspension order June 1, 1984 and even "those participating in the elections could not be safe from the local Gestapo after midnight of that date."

The movement demanded that "all anti democratic and anti-people laws and decrees, release of all political detainees and abolition of the presidential decree making powers" among others be abolished.

CEBU DAILY ON CITY HALL CORRUPTION

Cebu City VISAYAN HERALD in English 4 Feb 84 p 3

[Article by Attorney Migs Enriquez Jr in the "Believe Me or Not" Column: "It Was Not an Isolated Case"]

[Text] The furor generated by the controversial disbursement of a quarter of a million pesos of the taxpayers' money in Cebu City has brought into sharp focus the unabated ransacking of the national public treasury to serve the nefarious political ends of the Marcos regime. Our suspicions are now fully confirmed that under the present hated dispensation, a considerable portion of the taxpayers' blood-money has been dissipated to strengthen and maintain Marcos' one-man rule.

Luckily, as an aftermath of the brutal assassination of Senator Benigno Aquino, Jr., Kagawads Jose V. Cuenco and Pablo Abella of the Sangguni and Panlungsod of Cebu City, decided to follow the dictates of their conscience by bolting the ruling party. As a consequence they have been acting as faithful and efficient watchdogs of the public funds in this graft ridden city. And so by an unexpected stroke of poetic justice, the groaning taxpayers were bitterly informed how the "Kagawons" in City Hall and swindled them of P250,000 in the guise of an "information drive" in connection with the January 27 plebiscite.

The utter lack of moral scruples and the smooth and speedy manner with which the ABL-dominated Sangguniang Panlungsod sucked the public coffers, lead us to infer that this nefarious activity which has been recently exposed is merely a drop in the bucket. We are now tempted to suspect that billions of public funds were illegally appropriated and disbursed in previous political exercises to support the Marcos regime. The conclusion is inescapable that robberies in broad daylight have been going on throughout the country with the blessings, if not the instructions of Malacanang. Naturally, the discovery of this disgraceful act hardly pricked the conscience of the perpetrators whose characters have been stripped of moral consciousness to be totally immune from feelings of remorse and regret.

We are, therefore, not at all surprised in witnessing the reaction of the morally bankrupt ABL legislators in City Hall who did not even bother to answer squarely the agitated queries of their indignant constituents.

Displaying an unmistakable air of audacity and vulgar bravado, the City Mayor and his conspirators in the Sangguniang Panglungsod are acting in a brazen and relaxed manner thereby conveying the impression that the loud howls of public protest did not affect them a bit.

In view of the foregoing, it seems to us that this pernicious waste of public funds in Cebu City is not an isolated case but is national in sweep and scope. This is the only plausible explanation why the LSP leadership in Cebu City does not appear to be disturbed in the face of universal public outcry. We can do nothing except to pray that their tribe will not increase!

LSO: 4200/519

WEEKLY CHARGES GOVERNMENT WITH OVERPRINTING MONEY

Manila THE MANILA PAPER in English 31 Jan-6 Feb 84 pp 1, 3

[Text] Manila: The Philippine debt rescheduling talks have run up against potentially serious new problems with the discovery by a visiting International Monetary Fund mission of an unexplained surge in domestic money supply, and the belief that overstatement of the country's official reserves may have masked illicit foreign-exchange dealings by senior officials. This threatens to delay the IMF-led restructuring even longer and strengthens the likelihood of a further peso devaluation.

Prime Minister and Finance Minister Cesar Virata is anxiously trying to find out precisely what lies behind the inflated money-supply and reserves position as he struggles to salvage the country's economy and the shattered trust between the IMF and the government of President Ferdinand Marcos. All this is crucial if the IMF standby programme (worth some US\$635 million) for the 18 months to June 1985 is to go ahead. On that hinges in turn an estimated US\$ 1.65 billion in new commercial loans, a similar sum in the form of World Bank Asian Development Bank and bilateral lending and a projected rescheduling of US\$10 billion in foreign debt.

Partly because of the overstatement of official reserves (REVIEW, 29 Dec. '83) and partly because IMF and the 12-bank Advisory Group for the Philippines wanted to ensure that the debt-restructuring exercise would have to be done once only, the originally projected mid-January approval of the IMF package was delayed so that a fund mission could up-date monetary statistics and trade estimates for 1984.

Money supply (M3) growth was supposed to have been kept to 3% between September 1983 and January 1984, according to IMF dictates covering net domestic asset growth. But in October and November alone, money supply grew by 20%. Some of this was due to Central Bank of the Philippines advances to illiquid private finance and investment houses. (REVIEW, 19 Jan.). More telling, however, was the amount of currency in circulation, which grew during those two months by 25.8% from P12.4 billion (US\$885.7 million) to P15.6 billion.

The discovery of such blatant disregard of IMF edicts, whether a politically inspired resort to the currency-printing presses or simply financial mismanagement by the government, destroyed much if not all the trust built up over the years with the Marcos government--as much as did the controversy over the inflated reserves figures.

A possibility now being investigated is that certain government officials-- senior ones in some cases--may have used new (and specially printed) peso notes to buy US dollars on the black market and to hoard these dollars, or use them to finance "non-priority" imports, when imports were supposed to be limited to priority categories because of the foreign-exchange crisis. The presence of sequenced numbers of new peso notes in the black market adds some credence to this theory.

CSO: 4200/529

CANOY ON POSSIBILITY MARCOS MAY CALL OFF ELECTIONS

Manila THE MANILA PAPER in English 31 Jan-6 Feb 84 pp 1, 7

[Article by Reuben R. Canoy: "Marcos May Call Off '84 BP Polls"]

[Text] IN their loud and persistent clamor for a free and orderly election, the opposition, the politicians who want to share power with Marcos, and all those who honestly believe that it's our one last chance of saving democracy (or what's left of it) tend to forget that at the last minute the man who can make it happen may just decide to call everything off.

There is much to support the belief that the May political exercise will go on as scheduled. Marcos, after all, is under extreme pressure from the US and foreign creditors to restore popular government as a condition for much-needed financial assistance--or so the political know-it-alls say.

No election, no money. And if the international bankers refuse to loosen their pursestrings, down goes the Philippine economy and with it, the men responsible for making paupers of us all. This scenario is so convincing because every other Filipino who has had enough of Marcos and his ilk wants it to happen.

But will it?

If we were dealing with a president who thought less of himself than his country, I would say there was a 100% possibility of the election taking place in May. But as he has repeatedly demonstrated, Marcos is hardly concerned with democracy or the preservation of the civil and political rights of the people.

The World Bank, the IMF, the Reagan administration and a whole swarm of frightened foreign investors probably think (1) that the coming polls will be clean and honest and (2) that it will result in political stability and a credible government. They're in for a big disappointment.

Marcos's refusal to concede basic opposition demands indicates quite clearly that he has no intention of giving his opponents "a sporting change." The prospect therefore of the regular National Assembly becoming another rubber-stamp legislature dominated by the yes-men of the KBL cannot be ignored.

Even if by some miracle, the opposition were to constitute the new majority in parliament, I have grave doubts about their ability to unite on the floor in a grand challenge against the regime. Their election, in fact, would only serve to exacerbate political differences and stoke the fires of ambition.

The shift from regional to provincial, city and district representation is another reason why they won't be able to present a solid front. Though this scheme does help to minimize cheating by the party in power and the Marcos-controlled Commission on Elections, it renders the delegates vulnerable to the pork barrel system which was thought to have been abolished along with the old Congress but actually continues to exist in the guise of community development funds.

Since only Marcos can authorize the release of this money, he could easily buy parliamentary votes with bridges, school-houses, and other political-impact projects to secure the passage of laws intended to further legitimize or strengthen his rule.

It is obvious then that the regime holds all the aces. In a no-lose situation, it can afford to even risk an honest election. But would Marcos tolerate a heated campaign in which he will surely be pictured as the prime suspect in the Aquino assassination?

I recall that in 1978, he tried to clear the way for his candidates by prevailing on the Mindanao Alliance to withdraw in the middle of the race. When he saw that none of us could be bought with tempting offers of sinecures, he asked the group to confine itself to local issues and not to bring the charges raised by LABAN in Manila to the provinces, explaining he didn't want the people to hate him.

At that time, he seemed seriously worried that the LABAN accusations of high-level graft and corruption, human rights violations by the military, the first lady's extravagance and cronyism might provoke civil disorder on an unmanageable scale.

In May this year, it's almost certain that the opposition will unleash more than that. It will exploit to the fullest--and wildest--extent possible an issue that I'm sure Marcos would rather not face at the moment: the murder of Ninoy Aquino.

The 1984 local election will thus turn into a hate campaign not only against him and his family but the military as well. When it does, how will he and his accomplices react?

I can think of only one alternative: the cancellation or postponement of the election--a drastic step but one that Marcos, the incorrigible risk-taker, may yet take.

CSO: 4200/529

CENTRAL BANK FAILS TO PAY INTEREST ON DEBTS

Manila PHILIPPINES DAILY EXPRESS in English 8 Feb 84 p 8

[Article by George T. Nervez]

[Text]

INTEREST arrears on the country's \$25-billion foreign debt are piling up because of slow processing of the claims by the Central Bank.

The interest payments, worth about \$150 million monthly are not covered by the standstill agreement with over 400 foreign banks.

Nonetheless, payments have been delayed, initially, because of inadequate foreign exchange and, subsequently, because of slow processing by the CB, which has assumed the job of remitting the funds to the foreign creditors.

THE CB earmarked \$157 million to make the interest installments current as of November 1983. Another \$120 million were due last December, and a similar amount was supposed to be paid last month.

However, CB procedures and slow processing have caused considerable delay in the payment of interest, resulting in additional penalties of

about 1-1/2 percent, one bank president said.

He pointed out that the delay was due to a CB requirement for the foreign creditor to authenticate the loans and interest payments being applied for by the local bank.

CB sources confirmed that only a small portion has actually been paid out of the \$157-million interest arrears as of November 1983.

THE original 90-day standstill agreement last October 17, and its extension until April 1984 covers only repayment of principal.

Interest payments, together with oil and food imports, and servicing of official development assistance (ODA), are among the top priority items in the guidelines for the allocation of foreign exchange.

However, the CB has requested foreign banks to accommodate delays in the interest installments because of the shortage of foreign exchange.

CSO: 4200/541

CENTRAL BANK EYES BANKING, FINANCIAL REFORMS

Manila PHILIPPINES DAILY EXPRESS in English 12 Feb 84 p 10

[Text]

A REVIEW of the entire financial system, including banks, financing companies and investment houses, will be undertaken shortly by the Central Bank.

Prime Minister Cesar Virata said Friday night that there is a need to re-examine the financial system because of many changes brought about by the deep and prolonged recession.

The review would involve the entire financial system, the universal banks, commercial banks, thrift banks, savings and mortgage banks, financing companies, and investment houses, Virata said.

Likewise to be reviewed are the activities of foreign currency deposit units and the offshore banking units (OBUs).

The Central Bank organization would also be reviewed because of the need to administer the restructuring facility and new limited credits expected from the negotiations with foreign lenders.

ACCORDING to Virata, the CB would have to reorganize because it would be in charge of allocating the limited foreign exchange in the next two to three years.

"We are taking a very good look at it. We want a smoothly functioning and efficient intermediation system," said CB Gov. Jose B. Fernandez Jr.

Fernandez said he has been given authority to reorganize the CB. However, this would not be an "overnight job."

CSO: 4200/541

BANKERS EXPRESS ALARM OVER DWINDLING ALLOCATIONS

Manila PHILIPPINES DAILY EXPRESS in English 8 Feb 84 p 8

[Article by G. T. Nervez]

[Text]

COMMERCIAL banks yesterday expressed alarm over the failure of the Central Bank to make additional allocations from the foreign exchange pool, to finance imports of raw materials by export firms and vital domestic industries.

According to the bankers, the CB had released a total of only \$175 million since the adoption of the foreign exchange pool last November 1983 up to early January 1984.

"The allocation came in trickles, but it has practically dried up, since early January when the CB released \$50 million to us," griped one banker.

He added that because of inadequate foreign exchange, the banks have simply refused to entertain application for the opening of new import letters-of-credit (L/Cs).

SINCE November 1983, banks have been required to surrender export receipts to the CB to form a foreign exchange pool.

Funds from the pool are allocated to the banks to finance priority imports according to operating guidelines laid down by the CB.

The bankers could not say how much is surrendered daily to the CB, but CB sources said the amount averages about \$12 million, or short of the average daily export receipts estimated at \$20 million.

Aside from the foreign exchange allocated to the banks, the CB also earmarks funds for food and oil imports, servicing of official development assistance (ODA), interest payments and treaty obligations.

CSO: 4200/541

PILIPINAS SHELL TO LAY-OFF WORKERS

Manila BULLETIN TODAY in English 11 Feb 84 p 20

[Text] Pilipinas Shell Petroleum Corp. (PSPC), the country's largest corporation with an annual turnover in excess of P7 billion, is reducing its workforce in anticipation of a decline in oil refining and marketing activities, informed sources disclosed yesterday.

The reduction in the firm's labor force was announced early this week by company president Cesar Buena Ventura, who is also a member of the Monetary Board of the Central Bank.

It could not be immediately determined how large the reduc-

tion would be but sources said the program is open-ended.

Initially, the cost-cutting move involves voluntary retirement or accelerated retirement of executives and employees who are nearing mandatory retirement age.

The voluntary retirement program, which has a cut-off date at the end of February, offers take-home benefits equivalent to two-and-three-fourth months' pay for every year of service.

The "sweetener" is 1.75 times more than the usual retirement pay of one month for every year of service.

PSPC employs about 1,000 people and accounts for roughly 30 per cent of the local petroleum market.

The oil firm's retrenchment program jibes with government announcements to reduce oil imports by at least 25 per cent this year to conserve foreign exchange and allow savings to be used by other import-dependent industries.

Industry sources have estimated that in January, oil liftings have already been off 30 per cent compared to the import volume in January 1983.

Monthly oil imports amount to about six million barrels costing from \$150 to \$170 million.

Economists have already projected a significant drop in sales of petroleum products this year. Import restrictions, soaring prices and astronomical costs would mean sluggish industrial activities and slowdown in consumer spending.

Businessmen have submitted for government approval energy saving proposals which they hope could reduce the country's oil import bill.

CSO: 4200/541

TWO MARINES FACE TRIAL IN BATAAN KILLINGS

Manila BULLETIN TODAY in English 8 Feb 84 p 28

[Text]

SAN FERNANDO, Pampanga, Feb. 7 (PNA) — Brig. Gen. Jose Magno, Jr., Commander of the Regional Unified Command (RUC) in Central Luzon, has ordered a thorough investigation and, if necessary, the filing of court martial charges against two members of the Philippine Marines in connection with the Dec. 23 killing of three youths and the wounding of their companion in Hermosa, Bataan.

Magno's action was prompted by reports of

Hermosa, Mayor Jesus Vitug that the two marines went on a shooting rampage inside a restaurant in Hermosa, resulting in the deaths of Rosler de Guzman, 25, Joel Manlapaz, 19, and Menardo Turno, 21, all high school students.

Wounded in that incident was Rogelio de Guzman.

One of the soldiers was identified by Vitug as Cpl. Alberto Pandis of the 8th Marine Battalion Landing Team (MBLT) stationed in Hermosa.

CSO: 4200/541

ENERGY CONSERVATION DRIVES TARGETS 25 PERCENT

Manila BULLETIN TODAY in English 8 Feb 84 pp 1, 11

[Article by Ray S. Enano]

[Text] The private sector proposed to government yesterday a number of energy conservation measures designed to reduce by 25 per cent or by \$600 million the country's oil import bill.

The energy/oil conservation committee of the National Recovery Group composed of businessmen made the proposals to the Ministry of Energy and said it is launching a campaign on the theme "Save Oil for Jobs."

Henry J. Schumacher, president of the European Chamber of Commerce and committee chairman, told energy officials that businessmen have decided to launch an active campaign "since the energy sector is one of the biggest users of dollars and we feel that efforts to save in this area will mean more dollars to keep industries going."

Among the proposed voluntary measures which can be implemented immediately are car pools, voluntary load shedding such as switching off air-conditioners in offices at certain times of the day, and recycling of wastes.

The group also proposed that government set a maximum oil import bill of \$1.5 billion as part of the national energy policy. The group said use of alternative sources of energy such as hydro power would further decrease the amount.

The group also focused attention on the worsening traffic problem and proposed a package of voluntary and mandatory measures.

Deputy Energy Minister Antonio del Rosario, in welcoming the private sector initiative, promised government support and ordered the formation of a coordinating group from his ministry led by Bureau of Energy Utilization official Orlando Galang.

Galang was asked to assist various chamber organizations in the group to get the support of other government agencies which will implement some of the proposals.

At the meeting yesterday, the proposals raised include the elimination of office work on Saturdays and in its place, the extension of working hours from Mondays to Fridays, additional control in the use of neon signs and outdoor advertisements, closure of gasoline stations on weekends, and voluntary car-less days.

In submitting the proposals, the group noted that 35 per cent of the country's foreign exchange earnings is allocated to service "energy expenditures."

Earlier, government said that because of the high cost of oil importation, it may be forced to adopt drastic conservation measures such as the elimination of inefficient transportation vehicles and possible car-less days.

It is feared that the country's closest oil bill (which averages \$180 million a month) would easily wipe out the present foreign exchange reserves of \$900 million.

The National Recovery Group is composed of the Philippine Chamber of Commerce and Industry, European Chamber of Commerce, Japanese Chamber of Commerce, American Chamber of Commerce, and Filipino-Chinese Chamber of Commerce.

Victor Barrios, group secretary-general, accompanied Schumacher in the meeting with energy ministry officials.

CSO: 4200/541

BULGARIAN ENVOY OFFERS AID 7 FEB 84

Manila BULLETIN TODAY in English 8 Feb 84 pp 1, 11

[Text] President Marcos received yesterday an offer of technical assistance in agricultural development and dairy farming from the Bulgarian government.

Bulgarian Ambassador Angel A. Angelov conveyed the offer after he presented his credentials to Mr. Marcos as nonresident ambassador to Manila.

Angelov said Bulgaria was prepared to invite as many delegations as possible from the Philippines to acquaint them with agricultural development techniques, especially in tobacco raising and the dairy industry. He said his country intends to intensify its economic relations with the Philippines.

"Development of economic relations is something close to our hearts," the President said in response.

During his stay in Manila, Angelov and his party will meet with officials of the Ministries of Trade and Industry and Labor and Employment, and the National Science and Technology Authority to discuss possible cooperative projects.

Angelov reiterated the invitation of Bulgarian President T. Zhikov for the First Couple to visit Bulgaria at a time convenient to them.

Meanwhile, the President conferred the Philippine Legion of Honor, rank of commander, on Gen. Leonardus Benjamin Moerdani, commander-in-chief of the Indonesian Armed Forces.

He said the general's "deep personal commitment, concern, and interest in regional cooperation forged closer relations among countries in the Association of Southeast Asian Nations."

General Moerdani was also cited for successfully implementing the Philippine-Indonesian border agreement and the establishment of the system of military cooperation in the joint border patrols through a border pact among the Philippines, Indonesia, and Malaysia.

CSO: 4200/541

BIGORNIA ANALYZES ATTEMPT TO ADD APPOINTEES TO BATASAN

Manila BULLETIN TODAY in English 8 Feb 84 p 6

[Commentary by Jesus Bigornia: "New Poll Bill Shows Servility to Malacanang"]

[Excerpt] Up to its last gasp, the Interim Batasang Pambansa is protesting for all the world to witness its servility to Malacanang. Although the nation set in a recently-concluded national plebiscite the membership of the regular Batasan at 200, this interim body whose tenure is running out in the next few weeks would increase the number of assemblymen by 20. Proponents invoke a "rider" in the re-districting clause of Amendment No. 1 authorizing future increments by law.

What purpose is the proposal designed to serve? inquisitive citizens ask. Authors protest they are moved only by a desire to "restore" to the President the number of seats he may "farm" out to select persons, including members of his Cabinet. It is pointed out that in the redistricting process, the number of seats in the Batasan the President may fill by appointment has been reduced considerably. Proponents do not advertise the fact that under the proposal, the presidential privilege would be broadened to embrace appointment of 37 assemblymen.

Perceptive Filipinos see through the smokescreen the champions for a larger national assembly have thrown up around the issue. The proposal is seen not merely as currying favor with the President, but chiefly as a political insurance policy. Defeat at the May 14 parliamentary elections can be cushioned by a presidential appointment to the lawmaking body. After all, the Interim Batasan would have increased the number of Batasan seats the President can bestow on political lameducks.

No other reasonable construction could be attached to the move. For President Marcos needs no additional support in the Batasan than he can already command considering the way pre-polling conditions are shaping up. Without a doubt, the President's Kilusang Bagong Lipunan (KBL) should send back to the lawmaking body enough of its candidates to make up an overwhelming majority. It must be pointed out that the opposition is poised to boycott the May 14 elections and, even if they join the fray, may only be able to elect a token minority.

CSO: 4200/541

AGUSAN MAYORS THREATEN TO QUIT, CITE SECURITY

Manila PHILIPPINES DAILY EXPRESS in English 8 Feb 84 pp 1, 3

[Article by Mike Crismundo]

[Text] Butuan City, Feb. 7--Mayors of Agusan del Norte today threatened to go on mass leave unless military authorities restore peace and order in the province.

In a resolution, copies of which were sent to AFP Chief of Staff Gen. Fabian C. Ver and PC Chief Lt. Gen. Fidel V. Ramos, the mayors said they are willing to turn in to the military the administration of their localities if their security and those of their constituents could not be assured.

The resolution came in the wake of the killing last week of Magallanes Mayor Francisco H. Herrera who was gunned down inside his house by unidentified men believed to be members of the New People's Army.

The mayors noted that instead of fighting the suspects who have fled to sitio Lombocan, the team of policemen sent by the Butuan City station commander fled, leaving behind the driver of the Butuan mayor.

The mayors also complained that no action has been taken against the rebels who, emboldened, went on to seize the headquarters of the local militia in Tinago, Buenavista, the mayors said.

CSO: 4200/541

COLUMNIST CRITICIZES OPPOSITION TACTICS, DISUNITY

Baguio City THE GOLD ORE in English 28 Jan 84 p 4

[Commentary by Benjamin Salvosa in the "Turning Point" column: "Political Suicide--RP Style"]

[Text] A capitalist will always be eager to sell the rope to hang himself. This statement is attributed by communists to Lenin. Whether or not Lenin actually said it, the idea certainly applies to the recalcitrant rich and other capitalists in RP's political opposition who might already have figuratively prepared the rope to hang themselves. This is if the FILIPINO REPORTER, a New York tabloid is right in its report that President Marcos is back in good health, feeling and acting much better and more sprightly than he did before he became ill last August. The report was in the byline of Teodoro Valencia.

"If the President looked that good and ready to laugh at the slightest provocation, it must have been because he felt like a bird out of a cage," writes Doroy. "For almost five months, he did not make a public appearance--not anywhere near a big crowd, always only in Malacanang."

The FILIPINO REPORTER also reprinted an article published by the REVIEW OF NEWS INC. in Belmont, Mass. that the "anti-Marcos reaction of the Reagan policy makers is the more shocking when one considers that his replacements would unquestionably be anti-American radicals campaigning as nationalists who would end the US presence at Clark Air Base and Subic Bay (both central to the US Pacific and Far Eastern defenses)." For sure, the /radicals campaigning as nationalists/ [in italics] are no other than Lorenzo Tanada and Jose W. Diokno whose statements against the 1983 Bases Agreement were widely disseminated by US media.

Valencia adds he has been receiving mailed releases by the US-based rebel groups about a "people's court" to put to trial President Marcos and "some such talk as if the things they had been reading in the American newspaper stories were true." Doroy attests: "Manila and the rest of the country are peaceful. The main problem is the day-to-day labors to produce enough to sustain life. We have many problems here but they have nothing to do with replacing the President's resignation, much less the take-over by the opposition. If the American press is full of such imaginings, they're to

blame for the upsurge of wishful thinking among self-styled American-based Filipino commandos."

I have not talked to any US-based oppositionists except perhaps for Ernesto Maceda last year who made news only after Ninoy's assassination and whose activity had been limited to comforting the Aquino family in Massachusetts and attending Ninoy's funeral in Manila. Like Maceda, Filipinos in New York do not seem to be much involved in politicking though they get feedback from balikbayans who are able to find out for themselves if reports of US media on RP are accurate. So far, the balikbayans I have talked to have confirmed reports in the NEW YORK TIMES and the CHRISTIAN SCIENCE MONITOR that the nonviolent opposition are still divided and have accomplished no more than anti-government public rallies. They also confirmed the news that Marcos has assumed the offensive after his trips to Baguio and other places in Region I, his political base.

It appears that the political parties of capitalists--the KBL, UNIDO, LP, NP are not responsive to national reconciliation advocated by Cardinal Sin, while the socialists parties--CPP, SDP, PDP--are as divided as the minority groups that compose the democratic opposition. This confirms the reports of US media for the last four months.

The violent opposition must be happy that the non-violent opposition has managed to make enough rope to hang itself.

CSO: 4200/541

PHILIPPINES

COMMANDER ON ILOCOS SECURITY, REGIONAL UNIFIED COMMAND I PROGRESS

Baguio City THE GOLD ORE in English 4 Feb 84 pp 1, 8

[Text] Religious radicals, student activists, youth, professionals and oppositionists /who have forged alliances/ [in italics] with the Communist Party of the Philippines/New People's Army (CPP/NPA) are the primary threats to the internal security of region I.

This was the statement of PC Regional Commander Brig. General Victorino T. Azada during a press conference yesterday afternoon, February 3, in Camp Dangwa while discussing the incidence of criminality in the region.

Asked if there are any direct links between the various sectors he mentioned and the CPP/NPA, Azada said "We have hard evidence and have filed some cases in court." The general did not elaborate but he must have been referring to the case of Nestor Castro, Brenda Subido et al which was recommended for dismissal by the Baguio City Fiscal's Office.

Pressed further and asked for identities of opposition leaders in their watch list, Azada answered "We are building up a case and gathering evidence against them now but I would rather not reveal their identities at the moment."

Azada again expounded on his "duck principle" in determining subversives within a community. "If something acts like a duck, walks like a duck and quacks like a duck, then it must be a duck," Azada said.

On the suspension of the Preventive Detention Act, Azada said there would be no negative effects on their operations. Persons arrested for subversion, insurgency or for violations of any security laws will be treated as a common criminal, Azada said. The general said, "We will have to follow the reglamental rules of court; we will be to detain a person for a maximum of 19 hours only depending on the gravity of his offense. If no case is filed we will have to release a detainee or we will be held liable."

In another development, Azada said the Regional Unified Command (RUC) I is now on the first phase of organization.

Azada said the first phase is constitution wherein offices are being set up and personnel are being chosen. The second phase is activation which would be the formal organization of an RUC. The general is optimistic that the RUC-I will be organized within the first half of the year.

CSO: 4200/541

BAGUIO WEEKLY DECRIES GOVERNMENT PLANS AGAINST BOYCOTTERS

Baguio City THE GOLD ORE in English 4 Feb 84 p 2

[Editorial: "Why Mandatory Suffrage?"]

[Text] Under the 1935 Constitution, suffrage was a right that the citizenry could opt to exercise if they so wished. Under the 1973 Constitution, it became a duty; non-compliance meant possible imprisonment. The law was put to test when some registered voters who failed for one reason or another to go to the polls in the 1978 parliamentary elections and the 1981 plebiscite/elections, were actually thrown in jail, more to serve as a warning to those who began advocating election boycott as a conscious act of protest or civil disobedience.

Election boycott is a recent phenomenon in RP elections. It is the alternative taken by those who have lost faith in the electoral process as an effective means of bringing about change in the system by changing the people running the government. During the administration of former presidents like Garcia, Macapagal, etc., there were Filipinos who were just as disgusted with the status quo but they knew and were confident that incompetent, corrupt or abusive incumbents could eventually be voted out of office each election year. This went on for a good three decades even when the elections were not necessarily clean and the system was flawed.

But something had changed with the imposition of martial law and the introduction of countless presidential decrees and constitutional amendments. The incumbents somehow remained firmly entrenched in their positions and the possibility of ever changing them through elections appeared remote. Thus, election boycott has become the political cry of the 80's, a cry fast being taken up not only by oppositionists but by many more who claim they do not wish to lend the Marcos regime the legitimacy of their participation. Its effectivity continues to be questioned and doubted by many, even by those who practice it. And yet, despite threats of imprisonment and skepticism of what it can actually accomplish, the boycott movement seems to be gaining ground.

In view of this, the present administration will do well to react by first examining its position of imprisonment for boycotters. After all, the "ballot revolution" as the boycott movement might as well be called, is

still the better alternative to the "bullet revolution" being waged in the hills and countrysides. Slapping the wrists of a few violators of the law will not teach anyone a lesson in obedience. If the government enforces the law only on a selective basis, then why bother to keep the law? Either jail all boycotters or not at all. And if the government chooses the latter, make sure it has the means to do it. How many more jails must the government build to accommodate the growing number of boycotters?

CSO: 4200/541

PHILIPPINES

BRIEFS

DROUGHT THREATENS LUZON--Central Luzon and Southern Tagalog provinces are being ravaged by a severe drought. Agricultural officials said the situation threatens to drastically reduce crop production in those areas this year. The drought has decreased water levels of the Puntabanan and (Fenialanda) dams, which used to irrigate thousands of hectares of rice farms in Central Luzon. The dams were reported releasing only barely enough water for irrigation. Farmers in both regions reportedly anticipate only a 50 percent yield this harvest season, which starts next month. Leaders of farmers' organizations in the affected regions plan to meet with Agriculture Ministry officials. They will propose the installation of deep wells to water dry farms. [Text] [HK050117 Manila Far East Broadcasting Company in English 2330 GMT 4 Mar 84]

LABOR MINISTER ENCOURAGES VOTING--Labor Minister Blas Ople today called on the citizenry to register and take part in the forthcoming Batasan elections. Ople made the call when he went around the province of Bulacan, along with Public Works and Highway Minister Jesus Hipolito and Defense Deputy Minister (Tuedo Matividas), and former (Concon) delegate (Cesar Serapio). The four urged the Bulacanians to register and vote. They were honored this afternoon at the Paradise Farm in San Jose, Bulacan, before 700 Barangay leaders and members of the (DIA), which now supplies at least 30 percent of Metro Manila's meat and vegetable requirements. (Nimetro Cope), president of Paradise Farm, handed out the awards. [Text] [OW031446 Quezon City RPN Television Network in English 1100 GMT 3 Mar 84]

VIRTUALLY ALL GOLD SOLD--The Philippines sold virtually all its gold holdings in the international market last year to generate foreign exchange to pay for vital imports and meet interest payments on foreign loans, informed sources disclosed yesterday. In 1983, a total of 465,096.305 ounces of gold were monetized by the Central Bank and sold to foreign buyers in the gold bullion market. Sources said the gold sale represented production of the country's primary and secondary gold producers for the whole of 1983 and carryover from 1982 gold inventories. Total gold production for 1983 was placed at 357,341 oz. consisting of 1,180 bars. [Text] [Manila BULLETIN TODAY in English 8 Feb 84 p 13]

CSO: 4200/541

INDONESIANS TO STOP REFINING OIL IN SINGAPORE AFTER JUNE

Kuala Lumpur BUSINESS TIMES in English 28 Jan 84 p 2

[Text]

SINGAPORE, Jan. 27

INDONESIA will stop processing its crude oil in Singapore after June when its new refineries are expected to go into full operation, Jusuf Sumardjono, head of the Singapore office of the Indonesian state oil company Pertamina, said in a speech.

Pertamina's new plants at Cilacap and Balikpapan are expected to run at full capacity by mid-year, he said at a ship registration ceremony.

The Dumai refinery, now under construction, is expected to be completed in the second quarter of this year, he added.

Oil industry sources said Pertamina would be hard put to withdraw all its crudes committed to Singapore refiners in exchange for distillates, high sulphur fuel oil and low sulphur waxy residue (LSWR).

A senior oil executive here said Indonesia would require more LSWR than it could produce. It would have to continue exchanging its crudes, particularly minas crude, for LSWR, he added.

For the current quarter Singapore refiners are committed to receive about 90,000 barrels a day (bpd) from Indonesia, a sharp cut from the previous 200,000 bpd.

Pertamina's new refineries are designed to double Indonesia's refining capacity.

The newly expanded refineries at Cilacap and Balikpapan appeared to have overcome most of their teething problems, a senior oil executive said.

However, even assuming smooth operations, the total effective utilisation rate is not expected to exceed 60 per cent of capacity for technical

reasons, he said.

Indonesian refineries would have to run on a mix of Far East and West Asia crudes to ensure a yield of distillates with the right specifications, he noted.

Indonesia's demand for LSWR will increase with the start up of the Dumai hydrocracker, the executive said.

This would result in a greater need to process more mines which has a high yield of LSWR, he added. Since Indonesian refineries are not designed to run purely Indonesian crudes, Pertamina will still have to send crudes abroad in exchange for LSWR, he said.

The quantity that will be sent abroad after the new Indonesian refineries have come on full stream is still uncertain, industry sources said. --
Reuter

CSO: 4200/540

ACM PRAPAN NOTES RTAF DEVELOPMENTS

Bangkok BANGKOK POST in English 25 Jan 84 Special Page 5

[Interview by Editor-in-Chief Theh Chongkhadikij]

[Text] Theh: The air force appears very interested in the F-16 A100. How does this figure in the modernisation of this service?

Prapan: It is very important to strengthen the air force to the extent that is possible for us. First, it is necessary that we develop the knowledge and the capability to absorb new technology. Of course, a lot depends on our budget.

In aviation, technology has progressed by leaps and bounds. If a neighbouring country has aircraft of higher performance we must develop our air defences to an appropriate extent. This is also needed to provide confidence and a feeling of security to our people. The air force must be able to carry out the duties and functions assigned to it with the greatest success.

If we don't have the new technology we will not be able to keep abreast of the others and when an emergency arises we may not be able to do our duty to the fullest. And this would be a danger to the country. So we have to build up the air force and its fighting quality.

We have to concentrate on four or five aspects of development. First, we have to develop the capability of our personnel--pilots, maintenance crews and others. For this we usually send selected people to the United States for training or we bring in American instructors to conduct lessons here. We also send units for training in joint exercises with the US Air Force. This programme helps improve the ability of our pilots and aircraft support personnel.

Second, we have to improve the capability of the F-5s for higher performance. We find modern accessories, parts and equipment to be installed in these planes so that there can be accuracy in shooting and reaching targets and in warning pilots to take preventive measures to protect the aircraft from missiles fired by the opposite side. Third, we must obtain fighters with high capability in dogfights in the air and in attacking ground

targets so there is no need to buy aircraft for these various functions. This is also most important.

Fourth, we must intensify our capability in fighting an electronics war. This is most necessary.

Fifth, we have to improve our air transport capability which will make the transfer of ground forces from one area to a target in a speedy and orderly manner.

These are the main points. There are projects, not only just these. But what I have mentioned requires considerable financing. How far we can succeed depends not on us alone. For example, to buy the modern fighters we have to depend on US approval.

We have to improve our educational programme, and we have to modernise our curricula and textbooks. We have to generally step up our efficiency. We need armaments and aircraft. But with whatever funds are available we have to set our priorities.

Theh: Are you getting the proper budgets?

Prapan: I believe that the budgetary allocations for the next four or five years can be so used as to pay for our top priorities. Wherever we can save we will do so. Wherever we can buy less or at a lower price we will do so.

Theh: Just now you talked about improving our F-5s. Can they measure up to the MiG-21s of the other side if called upon to do so?

Prapan: Definitely so. We are not afraid of them.

Theh: The recent air show demonstrates that the RTAF is making progress, especially as far as missiles are concerned.

Prapan: The missiles we are developing are at present in the experimental stage. We are uncertain yet about using them in aerial warfare. There have to be stages in development. But it is a satisfactorily good beginning.

Theh: How about the air defence system?

Prapan: We are developing an automated early warning system. The enemy's planes are very fast, making our present system obsolete. It takes about 10 minutes to know an enemy has invaded our territorial air space and for our aircraft to scramble to intercept them. With the system we are developing we would know within a very few minutes and act quickly.

Theh: Recently a top American air force official responsible for the Pacific visited you. Did you discuss the F-16 A100?

Prapan: He is a four-star general responsible for US Air Force interests in this area. He came here on a familiarisation tour. I did not wish to discuss such matters with him but I hope for support in the matter of the F-16 A100 from our friends.

Theh: How are we going about trying to get this plane?

Prepan: In the purchase of US weapons there is much processing to undergo. We have to ask for an LOA (Letter of Offer and Acceptance), which will take about five months.

Theh: How long would it take before the planes could arrive here?

Prepan: About three years. I'm trying to bring down the delivery time to two years or two and a half years.

Theh: The US doesn't sell to small countries, except a few.

Prapan: We are good friends. They will consider whether they should let us have such aircraft.

Theh: I understand there are maintenance problems with the engine.

Prapan: You see, the F-16 A has a much stronger engine than the ordinary F-16. The power of the engine makes the aircraft capable of making long-range flights and also a much better fighter.

Such sophisticated engines, of course, need special care and maintenance but our people can learn to watch over them and repair them.

Theh: What will the air force do in case of an enemy air incursion?

Prapan: We are ready to respond speedily and adequately but they are fighting outside our country.

Theh: Is our air force carrying out joint training exercises with our ASEAN partners?

Prapan: Yes, that is to enable us and our friends to cooperate closely whenever necessary to meet an emergency.

CSO: 4200/478

ADM PRAPAT NOTES RTN DEVELOPMENTS

Bangkok BANGKOK POST in English 25 Jan 84 Special Page 5

[Interview by Editor-in-Chief Theh Chonghadikij]

[Text] Theh: What projects do you have for developing the navy this year?

Prapat: Projects are developed on a continuing basis. Whatever we wish to do we first ask for a budgetary allocation. Projects for the new year are continuation of those of last year. We analyse the projects anew, find what we have done and what adjustments should be made, and what projects are more urgent.

For example, between building oil tankers and LSTs (landing ship troops), we decided to build big troop transports. Next month we will call for bids.

Projects to buy food and other materials, trucks, build quarters and set up logistics for supplies abroad are all there. So, depending upon the amount of the budget, we make changes in the requirements.

For example, we request 5,000 million baht but we are given 2,000 million. Then we have to adjust our priorities. There are no really new projects for the new year.

Theh: You were going to buy corvettes--

Prapat: That's finished. We've already signed the contract. Therefore, we have to obtain the funds with which to make the payments. A part of the budgetary allocation will have to be paid for the corvettes. The two corvettes are scheduled to be delivered in three years.

We also have to pay for three radar-equipped sea patrol planes from the Netherlands. The first plane is due in April and the last planes will be delivered towards the end of this fiscal year.

We also have to pay for five patrol boats which we have ordered from Italian-Thai.

After we have paid for the equipment we have ordered, then we can plan buying new craft and other equipment. Everything we do we plan well ahead.

We concentrate first on the most urgently needed equipment.

Theh: There's a report that we are going to equip the corvettes with Exocets instead of Harpoons.

Prapat: We intend to stick to Harpoons. First, they are good, and we get them from the United States. Second, it is a government-to-government deal.

Theh: What are we doing about submarines?

Prapat: We are thinking about this. We are first buying LSTs and corvettes. The problem with submarines is that we must have at least 700 to 800 million for the first year of purchase. At present we don't have that kind of money. We have to develop in accordance with our financial capability.

Theh: To what extent is our navy operating?

Prapat: Everywhere. The Gulf of Thailand. Off the coasts of Narathiwat, Trat and Chanthaburi. We carry out our routine patrols daily.

But the planes we have are old. With three new planes the patrols will improve.

Theh: What are we doing about Sattahip?

Prapat: We keep on developing it. We have proper ship repair facilities. We have to expand ship mooring areas and piers where ships can be supplied with electricity. We continue to build up the harbour.

Forty to 50 per cent of our vessels are there now. We have moved them out of Thon Buri. We have to build more housing to enable all the ships to be stationed at this base.

The 3,000 million baht used to build the docks has been well spent. The people feel that there are too many sailors stationed at Fort Phra Chula (naval headquarters).

In the past whenever a naval vessel left Thon Buri, the Memorial Bridge had to be opened and traffic had to be held up for hours.

Theh: How is the progress in the building of a naval base on the Andaman Sea?

Prapat: We are continuing to build it. The port is nearly completed. The water is deep and the haven is good. Housing for the personnel is being constructed.

We would like Phuket but we lack funds to buy land for the purpose.

Theh: What about Songkhla?

Prapat: That is also finished. We still lack a dockyard but this is not very urgent.

Theh: The navy is helping in anti-piracy operations off Songkhla?

Prapat: The United Nations has given some funds for the campaign. A naval unit and aircraft have been assigned to the drive. This piracy thing gives us a bad name. The pirates victimise the Vietnamese refugees travelling in boats. The pirates are from different countries. We are being blamed but we are doing the best we can.

Theh: Our fishermen have been going into Kampuchean and Vietnamese waters and getting arrested. What can we do?

Prapat: We have appealed and warned them not to go. But they still go. They are arrested as well as fishermen from Malaysia and Indonesia. The waters there are full of fish since there has not been much fishing by the people of those countries.

Our navy cannot go into those waters.

Actually, the fishing boats do not have a licence to go into waters outside Thai territorial waters.

Actually, the fishing boats do not have a licence to go into waters outside Thai territorial waters.

Our 4,000 to 5,000 fishing vessels still want to go into those waters to fish. We can do nothing much, except keep on appealing to the owners and warning them. Only captains of vessels over a certain size can have a licence to go into international waters. So what is done by the small fishing vessels is illegal from the start. They go into those neighbouring waters deliberately or ignorantly. It could be either reason.

I cannot say whether the owners asked the captains to take the vessels there or whether the captains went there on their own.

Theh: Are you satisfied with the progress being made in development of the navy?

Prapat: I would like more budget to build a better navy, a more capable navy, a more efficient navy, so that we can carry out our duty to the best of our ability. Our ships are getting old and the new vessels are costly, and we have to depend on whatever budgetary resources we can get to strengthen our navy. We try to use the money we get on the most important matters and we try to save wherever we can.

We have to call for tenders in order to get the lowest prices.

Whenever I go abroad, people ask me to buy this or that ship but I have no such power. If I order any ship on such a trip, I might have to go to jail. I have to explain that our Government has certain procedures.

The naval commander-in-chief of certain countries could simply order the building of ships on his own authority.

We have to be careful to buy from the lowest bidder.

Theh: Do we carry out joint exercises with our neighbouring countries?

Prapat: Yes, with the ASEAN countries of Malaysia, Singapore and Indonesia every year.

Theh: Do our ships visit other countries?

Prapat: Three vessels--HMS Pin Klao, HMS Meklong and HMS Tha Chin--will be taking trainees on a cruise to Malaysia and Brunei next month. They will play in a soccer tournament with the Malaysian, Indonesian and Singaporean naval teams.

CSO: 4200/478

RANGERS, KHMERS INVOLVED IN REFUGEE SMUGGLING

Bangkok BANGKOK POST in English 24 Jan 84 p 3

[Text] Aranyaprathet--Two Thais and a Kampuchean holding an Australian passport have been arrested and charged with smuggling Kampuchean refugees out of Khao I Dang holding centre.

Kampuchean suspect Ung Gu, 30, claimed that the eight refugees, including three children, were his family and relatives.

The other two suspects were identified as Boonyong Vongasai, 30, who allegedly made all the arrangements, and Manas Somporn, 25.

Aranyaprathet police said all 11 people were arrested late Sunday night at a house in Wattana Nakhon District of Prachin Buri Province.

Ung Gu, who came to Thailand on January 7, allegedly told police that he and the eight Khmers were heading for Bangkok where he was to try to get them resettled in a third country.

The Khmers allegedly told police that they had to pay an unspecified sum of money to a ranger, known only as Cha, in order to leave the holding centre.

Police said the eight refugees would be sent back to the centre while legal action would be taken against the three suspects.

Meanwhile, a Border Patrol Police unit reportedly arrested a Vietnamese army officer at Vang Mon village, about 15 km southeast of Aranyaprathet, on Sunday night.

Police quoted Lt Nguyen Minh Tuan, 22, as saying that he was posted in Battambang Province of Kampuchea but escaped into Thailand because he wanted to resettle in a third country.

In another border development, a group of 500 Khmer Rouge guerrillas reportedly captured a Vietnamese base in Nam Sap village, opposite Wattana Nakhom District.

A source said the guerillas captured the base, manned by about 200 Vietnamese troops on January 16, following a fierce clash.

The Khmers reportedly killed seven Vietnamese soldiers and seized several weapons, suffering three casualties.

CSO: 4200/478

WEAPONS RESEARCH, DEVELOPMENT DISCUSSED

Bangkok BANGKOK POST in English 25 Jan 84 Special Page 10

[Text] Throughout its history, the Royal Thai Air Force has always been innovative, progressive and self-reliant.

Only a few years after its conception, the RTAF had tried to build its own aircraft with some notable successes.

In 1927, the first airplane wholly designed and built by the RTAF was rolled out. It was called Boriphat.

The self-reliance programme was activated again in 1957. Until the 1970s, the RTAF had built and modified several types of aircraft, the most recent one being a two-seat trainer also wholly designed and built by the RTAF.

Designated RTAF's, models of the twin-prop trainer have undergone wind tunnel tests and now three prototypes are being constructed.

On a more exciting note, since this one will be on a bigger scale, is the fact the the RTAF will mass-assemble a West German-designed jet-prop trainer locally, using a large percentage of locally-built components.

The first Fantrainer is expected to roll off the RTAF's assembly line this year, to be followed by at least 46 more. The RTAF will be using some of these aircraft while the rest will be sold to all buyers in the region. The Air Force, at the same time, was also awarded a licence to maintain and repair these aircraft within the region.

When the US Armed Forces pulled out of mainland Southeast Asia for good, the Air Force came to realise that, more than ever, it had to rely on itself for its development and for the defence of the country.

In those years of uncertainty--unstable political situation, insurgency problems and worst of all the extremely hostile neighbours--the Air Force came to the conclusion that something must be done to remedy the situation, and fast.

Rocket

Actually, the RTAF started a programme to build its own rockets back in 1974. Since then, a team of extremely capable young officers has laboured long and hard on the country's first /wholly locally-produced/ [in italics] rocket; everything from the smallest screw to the propellant, to the casing, the warhead, has been produced locally, using RTAF-developed technology.

The prototype of what was to be called the "Sky Cobra" rocket made its debut in 1979. In the same year, the Sky Cobra got its certification from the RTAF Arms Standards Committee.

The Sky Cobra is a multi-purpose 2.25-inch unguided rocket used in ground-to-ground or air-to-ground operations. Before it got its certification, hundreds of them had been fired and the data and computation which had been collected were evaluated.

The Sky Cobras are now in the service of the RTAF as well as the Royal Thai Army. It proved its versatility when it was found that it could be operated even without a launcher or as a shoulder-fired, troop-borne weapon. Similar in design to the US M72 anti-tank rocket, the Sky Cobra operates on solid double-base propellant, which was again formulated by the RTAF weapon team.

But it had problems, so it was back to the drawing board and the team came up with a new Sky Cobra.

The new version has folding fins which, while the rocket is in its pod, will fold to a diameter less than that of the rocket itself. But once it is fired, the fins will deploy and lock into place. At the same time, slanting notches had been put in the tailcone, making the rocket, once fired, rotate in flight while the fins stay true thus greatly increasing its accuracy.

The RTAF now has Sky Cobra pods of various capacity which can be attached to aircraft. There are the seven-rocket pods and the 39-rocket pods.

The F5E mainstay jetfighter of the RTAF has four strong points (stations) under its wings for carrying loads. With the seven-rocket pods, the F5E can carry a total of 28 rockets. And with the 39-rocket pods, the total amount of Sky Cobras the F5E can carry would be a staggering 156 shots.

In the meantime, the RTAF ordnance team came up with another version, in which the fixed fin was retained although it was no longer sliding. The propellant was modified to gain distance and dependability, the tailcone had also been notched to make the rocket rotate in flight.

This model was designated Sky Cobra II, and the up-and-coming one with the innovative folding fins was designated Sky Cobra III.

All three models of the Sky Cobra can be fitted with three types of warhead--target practice, smoke & incendiaries and anti-personnel.

After the Sky Cobra, the ordnance team is now working on a true "guided missile". The King Cobra has made its appearance, although much work has still to be done on it.

The King Cobra's propellant has been perfected.

The RTAF Weapons Research and Development Centre has as many modern facilities as the tight budget will allow. There is an X-ray unit to detect flaws either in metal parts or in the solid propellant cores. A computer is used to record data on a rocket's performance on a statistic test stand.

The centre is not only developing rocket; they are working on other types of weapons as well.

Seeing that a lot of M-39 guns taken off F5 jet fighters had been left to gather dust, the experts again put their heads together.

Being primarily used on jet fighters, the gun has to be at its most precise, therefore, even though it is still perfectly in good condition--even brand new--they are usually replaced after only a few hundred rounds have been fired. And that was what happened to these "surplus" M-39 guns, each of which can fire off about 1,500 rounds a minute.

The men at the centre took an old anti-aircraft gun carriage, designed a new terreton which to install a cluster of three M-39 guns. The result was that now the RTAF had a very effective weapon to be used for airbase protection and ordinary anti-aircraft operations.

Gun

The three M-39s firing in unison can rattle off as many as 5,000 rounds per minute.

The centre has also developed a new type of ammunition which utilises extreme heat to pierce its armoured target by instantaneously melting it down instead of just counting on the projectile's impact to bore through.

With what little money the Royal Thai Air Force has, the Thai people can be sure that every baht, every satang will be put to use to ensure that the country's sovereignty will never be violated--be it on the ground, in the sea or most importantly, in the air. Let those who are bent on aggression be reminded that the Royal Thai Air Force is ever ready to meet any challenge that comes their way.

CSO: 4200/478

IRAQ SAID TO WANT MORE WORKERS; WAGES TO BE PAID IN OIL

Bangkok THE NATION REVIEW in English 25 Jan 84 p 3

[Text] The Iraqi Government has asked the Labour Department to recruit about 50,000 reservists to work in reconstruction projects in Iraq and offered to pay parts of their wages with oil, a senior labour official said yesterday.

Prasit Chaithongphan, director of the Thai Overseas Workers Division, said the Iraqi Government will pay 30 per cent of the wages in Iraqi currency and the other 70 per cent with crude oil.

Prasit said the Iraqi Government made the offer through him personally.

Iraqi also demanded that Thailand find a commercial bank to guarantee the workers to prevent the construction projects from collapsing halfway. "If we accept the offer, we will also have to find buyers for the oil," he said.

Prasit said he will discuss the matter with Assistant Army Chief-of-Staff Lt Gen Wanchai Ruangtrakool on Feb 1.

The army has sent hundreds of reservists to work in the Middle East as part of its programme to solve problem of unemployment among them. They are given special training before being sent overseas.

"Our workers will work in construction sites and will have nothing to do with the war there," Prasit said when asked about reports that some Thai workers were recruited as mercenaries by Iraq to fight against Iran.

Prasit said Iraq will need a lot of workers to reconstruct the country after its war with Iran. Many of the foreign construction companies had withdrawn from Iraq because of the war, he said.

"It will be a big boost for the Thai labour exports to the Middle East which has not been very good," he said.

Figures released by many local job placement agencies in Bangkok show that there has been a decline in the number of Thai workers going to the Middle East. The main reason is that many of the major construction projects there have been completed.

KOREAN EXPLOSIVES PLAN SCRAPPED

Bangkok THE NATION REVIEW in English 25 Jan 84 p 10

[Article by Sompong Tang; Kittipong Thirakorn]

[Text] The Defence Ministry's three-year-old negotiations with a South Korean firm to set up an explosives manufacturing plant in Thailand were scrapped by the Cabinet yesterday, informed government sources said.

They said the proposal to put an end to the deal with the Korean Explosives Co was made by Deputy Defence Minister ACM Paniang Kantarat during the weekly Cabinet's meeting yesterday. There was no debate.

KEC was commissioned by the Defence Ministry in 1980 to conduct a feasibility study of a project to build an explosives manufacturing plant in Baan Prab of Nakhon Sawan after the firm won an international bidding held in Singapore.

KEC offered the lowest bid for US\$34 million to build a plant which would supply the Thai armed forces and the police with locally produced explosives. Seven other European firms lost in the bidding.

The Defence Ministry called off the deal with KEC on grounds that it was not certain of legal implications which might arise from the contract KEC has with SNPE of France. SNPE was one of the firms which lost in the bidding.

The Defence Ministry argued that KEC was bound by a contract with SNPE not to sell its technology to other countries. The ministry's ad hoc sub-committee also claimed that the technology of KEC in producing explosives was still questionable.

A West German firm, Fritz Werner, which was appointed by the ministry to serve as consultant in the project also claimed the KEC was not efficient and lacked experience. Fritz Werner said in its report that it had to offer KEC certain technical know-hows to set up the plant.

ACM Paniang did not say yesterday whether a new bidding will be called or one of the seven European firms will be selected for the project. KEC was

the only Asian firm to have taken part in the bidding for the project which was initially intended to be a joint venture between Thailand and Singapore. Singapore subsequently withdrew from the venture.

Chote Phaobunthorn, managing director of Thai Bunthorn Co Ltd (the representative of KEC in Bangkok), told THE NATION yesterday that the Cabinet's decision had ruined KEC's three years of preparations for the project.

Chote said KEC had already drawn up blueprints for the project and its experts had been flying to Thailand to inspect the site for the plant which covers an area of about 2,000 rai.

The Cabinet endorsed the Defence Ministry's proposal to commission KEC to undertake the project in November 1980.

Chote said representatives of KEC are currently in Bangkok to try to negotiate with the Thai Government over the deal. He said KEC was already informed of the Cabinet's decision and will decide whether it can take any legal action.

Chote explained that KEC had been giving assistance to the Defence Ministry over its patent rights in supplying technology for the explosives manufacturing plant.

"KEC, with support from the Korean Government, has given a guarantee against any possible legal troubles which might arise from the project," he said.

Chote said KEC's patent rights became an issue only after it won the bidding. He quoted a report of Fritz Werner as saying that there would not be any legal problems with the KEC's patent rights with SNPE.

Chote said members of the ministry's ad hoc sub-committee visited the KEC's plant in South Korea and were satisfied with its technology. However, when the issue of patent rights was brought up, the committee also cast doubts over KEC's technology.

KEC offered to build the explosives manufacturing plant on a turn-key system with automatic process design which allows expansion in the future, he said.

However, he said, the German consultant wanted the plant to be built on the batch process which makes expansions complicated and costly. But KEC agreed to the suggest.

"KEC agreed to all conditions because it wanted to build Thailand a modern plant at lowest cost," Chote said.

With the inclusion of 10 per cent of consultant fees, KEC agreed to build the plant for US\$37.4 million (about 860 million baht). Some of the other firms competing in the bidding had offered up to between 1,000 and 10,000 million baht.

PRIME MINISTER CLAIMS ECONOMIC RECOVERY

Apia SAMOA TIMES in English 20 Jan 84 p 1

[Text] The Prime Minister, Hon Tofilau Eti Alesana, made it quite clear in an address to the Legislative Assembly Tuesday morning that his government had virtually achieved the economic goals it had set for itself in 1983.

In a progress report on the economy, the Prime Minister said that Western Samoa's gross foreign reserves now stood at \$10,510,000 an all time-high-the last record being \$8.5 million in 1977.

He said this figure did not include \$3 million that the government planned to obtain from the International Monetary Fund under the fund's development assistance programme.

Another positive achievement, he said, was the government's current surplus with the commercial banks amounting to \$2,200,000, a major improvement from an overdraft position of \$10,200,000 as at the end of 1982.

As to debts on overseas payments, the Prime Minister said, these had been reduced from \$13 million at the end of 1982 to \$5,300,000 at the end of 1983.

Payment of these overseas debts was important because it would help the government ease off on import restrictions, he said.

CSO: 4200/514

BRIEFS

NEW JUSTICE SECRETARY APPOINTED--The Public Service Commission has appointed the former Consul General in Auckland, Vaimasanuu Niko, as Secretary of Justice. But it is understood that the appointment is a temporary one subject to review from time to time by the commission because Vaimasanuu has already reached the retiring age of 55. Still, a commission spokesman said, Vaimasanuu's appointment could be appealed against within 21 days of the appointment. But so far there is no indication of an appeal. Vaimasanuu was Deputy Secretary of Justice when he was appointed by the government as consul general six years ago. When he returned, he was still officially a public servant, and therefore fell under the jurisdiction of the Public Service Commission. [Text] [Apia SAMOA TIMES in English 20 Jan 84 p 1]

CSO: 4200/514

INTERNATIONAL RELATIONS, TRADE AND AID

TECHNICAL TRAINING PROGRAM AT SOVIET MOTOR-VEHICLE PLANT DESCRIBED

Moscow IZVESTIYA in Russian 27 Jan 84 p 5

[Article by B. Vinogradov, IZVESTIYA special correspondent, Togliatti:
"The Path to a Profession"]

[Text] Letters are flying from the snow-covered banks of the Volga to the Vietnamese city of Hue which is buried in greenery and which stretches along the Aromatnaya River. The lines of the warm messages addressed to parents, friends and loved ones are small stories from the life of the Vietnamese young men and women who have come to Togliatti to learn the trade of an automobile worker.

Engineer Tran Duy Vich, group organizer of the Vietnamese citizens at the Volga Motor Vehicle Plant, says: "It was in April of last year. I remember well the day of our arrival at the Volga motor vehicle giant. None of my young comrades had ever seen such a plant before. The dimensions of the shops and the assembly line were staggering. However, the cordiality and hospitality, with which the inhabitants of Togliatti received us, left a special imprint in the memory of each one. I will say right out that we have felt up until now a touching concern about us on the part of the plant management and the population of this beautiful city."

Tran Duy Vich has not come to our country for the first time. In 1966, he completed the Kharkov Polytechnical Institute where he studied for five years. When he received his diploma as an engineer machine builder, he returned to his native Hanoi where he worked in his speciality from that time on. With the passing years, he grew to chief of the design department and received several patents for his own inventions. Machines for processing vegetables, which were designed by him, are now working well on the state farms and cooperatives of Vietnam.

"I also heard and read a great deal about the Volga Motor Vehicle Plant. I have been for a drive in the Zhiguli which has splendidly proven itself under our climate conditions; however, to see the plant had always been my dream. My wife and children remained at home. I will have a leave after a year and we will see each other. For now, I am writing letters just as my friends."

It is not by chance that we began with the letters. It turned out that when we entered the recreation and reading room of the hostel, we saw several black-haired heads bent over sheets of paper covered with writing.

I asked a young girl by the name of Lan who was seated in an armchair: "What is the news from your native land?"

She replied smiling: "Good. Everyone is alive and well. They are somewhat bored but happy for me. They write that many people assembled in our home to listen to a letter from the Volga Motor Vehicle Plant."

What letter are we talking about? No, Lan did not write it. The plant management was the sender. It said in the message: "Dear Nguyen Thi Kim Chang! The board of directors of the Volga Motor Vehicle Plant imeni 50th Anniversary of the USSR thank you for the good upbringing of your daughter Le Thi Ngoc Lan. She has demonstrated excellent success during training in the Russian language courses for Vietnamese students. We do not doubt that she will cope just as excellently with the mastery of a working trade at the Volga Motor Vehicle Plant"

It seemed that the old-timers had gathered together in a small comfortable house on Le Loi Street, which leads to the walls of the ancient citadel of the former Vietnamese emperors, to discuss a message which had arrived from the banks of the far-off Russian River. Mother Chang wrote that Lan's father and other underground front fighters, who had perished in March 1968 during the uprising in the city, were remembered that day. At the time, the patriots had seized the palace and held it for several days, repulsing the attacks of the Saigon and American forces. Lan was four years old when her father died. There were three other children besides her in the family. They have now grown up and are working and studying, trying to be worthy of the memory of their hero father who gave his life for their happiness and the freedom and independence of Vietnam.

Nikolay Dmitriyevich Ustinov, the chief of the administration for exports and foreign ties, says: "We have sent similar letters to the parents of many of our Vietnamese pupils. The lads deserve praise; they are trying very hard to learn the secrets of a machine-builder's skill. What can these 'secrets' be, though? Our mentors, highly skilled workers are generously transferring their experience to them and are helping them in everything -- both in work and in life."

Tran Duy Vich continues the discussion: "The Volga Motor Vehicle Plant workers have provided excellent conditions for us. Spacious hostels, a well-equipped medical station, clubs, sports arenas, a movie theater, a dining hall, and a library with Vietnamese newspapers, books and magazines are at our disposal. Many have already begun to read Soviet publications also."

The language training, which preceded the vocational classes, were conducted over the course of three months. The lads spent entire days in the

linguaphone study rooms, trying to find as quickly as possible the "path to intercourse and mutual understanding" as translator Nguyen Tuan Cuong put it.

He said: "It is necessary to point out that an atmosphere of mutual understanding and help was immediately established between us and our Soviet friends. True, there is still enough work for us translators; however, it is now most often official talks or a discussion of production topics. I myself completed the Moscow Institute for Geodetic, Aerial Photography and Cartographic Engineers in 1982. I will return to Vietnam and will work in my profession, but I am now also getting acquainted with the equipment. It will come in handy in life."

Dao Thien Thi, the minister of labor of the Socialist Republic of Vietnam who recently visited the Volga Motor Vehicle Plant and became acquainted with the training process of the young Vietnamese workers, spoke highly about the organization of their work and life. He emphasized the importance of this sphere of cooperation between our countries for Vietnam's developing economy.

He said: "Workers with a technical speciality are now very needed in our national economy. These young people, who have received a highly skilled trade in the Soviet Union, must in the future form the nucleus of Vietnamese machine builders. The construction of a number of large enterprises for our native industry is planned in the future. Its base is now being laid with the help of the Soviet Union and the other countries of the socialist commonwealth. It is especially important that our workers complete here a genuine school of international indoctrination."

Mornings, the auditoriums of the branch training center, which is located not far from the main administration building of the Volga association, are filled with students. The bell to begin classes muffles the Vietnamese speech; the instruction is conducted in Russian. Standing behind the instructor's stand, the vocational training instructor addresses his charges and asks them to decipher the brands of iron and steel that are written on a chart. Le Duc Trieu raises his hand. He reveals the meaning of the designations "Sch 18-36" and "st. U13A" without a mistake; he tells where these metals are used. The lesson "Tolerances and Fit" is taking place in study No 502. There is the same atmosphere of strenuous thinking and memory work. Complicated technicalisms, which are not related to ordinary speech resound. Yes, the nut of knowledge is hard....

The Soviet instructors tell me that the training is expected to last six-nine months and is conducted according to the standard programs that are used in our vocational trade schools. No allowances are made. The students must complete the entire general educational course and pass the examinations. Practical work occurs simultaneously. In a section of the body assembly works, they prepare, for example, for such trades as mechanical assembly work metal craftsmen, adjuster, controller and machine resistance welder. In a section of the pressing works from where the bodies of the future motor vehicles emerge, stampers are employed.

N. D. Ustinov said: "A system of professional growth has been developed in accordance with an intergovernmental agreement. Time for theoretical classes is being set aside for this. Those, who complete the course receive a second-class or thirdclass rating, and there is every opportunity to raise it in the future. The young Vietnamese workers are assigned to production brigades: three-five people in each brigade which on the average is composed of 40 specialists. Having become members of an international collective, the Vietnamese graduates enjoy all the rights that the Soviet workers in the Volga Motor Vehicle Plant have.

Tran Duy Vich said: "I would like to add that they, at the same time, also share entire responsibility for the fulfillment of the planning quotas with the brigade. The lads try not to let their Soviet colleagues down."

An amateur talent concert was held in the club in the evening. The vaudeville orchestra musicians were testing their instruments in the wings, and the singers were animatedly arguing about something near the stage. I went up to them and asked what was to be in the evening's program.

Nguyen Tri Than, the director of the vocal group, replied: "Vietnamese songs, poems about the Volga Motor Vehicle Plant that were written here by my friends. And, of course, we will perform the song 'My Address Is the Soviet Union', which is popular with us, in the Russian language."

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CSO: 1807/123

BIOGRAPHIC

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Nguyễn Văn An [NGUYEENX VAWN AN], *Colonel

Of the B.26 Group; his article on combat training appeared in the cited source. (QUAN DOI NHAN DAN 6 Jan 84 p 2)

Nguyễn Bá [NGUYEENX BAS]

*Deputy Director of the Chemicals General Department; recently he was part of a group touring Lao Cai Mine with Politburo Member Do Muoi. (NHAN DAN 2 Jan 84 p 1)

Hoàng Biền [HOANGF BIEEN], Colonel, Deceased

Born in 1930; High ranking cadre of the Border Defense Command; Member of the CPV; he died on 19 Dec 83 following a period of illness. (QUAN DOI NHAN DAN 20 Dec 83 p 4)

Phạm Trọng Di [PHAMJ TRONGJ ZI], Colonel, Deceased

Born in 1930; a high ranking cadre of the Truong Son Corps; Member of the CPV; he died on 14 Dec 83 at the 108th Military Hospital following an illness. (QUAN DOI NHAN DAN 16 Dec 83 p 4)

Hoàng Cao [HOANGF CAO], Colonel

Of the 2nd Military Region; his article "Some Experiences in the Organization, Building and Activities of Stand-By Militia Detachments in the 2nd Military Region" appeared in the cited source. (QUAN DOI NHAN DAN 6 Jan 84 p 3)

Tổng Xuân Đài [TOONGS XUAAN DAIF], *Colonel

Deputy Commander for Political Affairs, 4th Group, 32nd Corps; he was mentioned in an article about his unit. (QUAN DOI NHAN DAN 23 Dec 83 p 1)

Cao Tấn Đắc [CAO TAATS DAWCS], *Lieutenant Colonel

Deputy Chief of Staff, 4th Group, 32nd Corps; he was mentioned in an article about his unit. (QUAN DOI NHAN DAN 23 Dec 83 p 1)

Nguyễn Văn Đạo [NGUYEENX VAWN DAOJ]

*President of the Vietnam Mechanics Association; his article "Mechanics in Technology and Life" appeared in the cited source. (QUAN DOI NHAN DAN 25 Dec 83 p 2)

Lê Đình [LEE DINHJ]

Deputy Director of the Vietnam Institutes of Science; on 2 Nov 83 he attended a meeting marking the 5th anniversary of a friendship and cooperation treaty between the SRV and the USSR. (TO QUOC Nov 83 p 8)

Nguyễn Thế Đức [NGUYEENX THEES DUWCS]

Acting Director of the National Library; his letter explaining the presence of archive copies of monographs in the hands of street vendors appeared in the cited source. (QUAN DOI NHAN DAN 20 Dec 83 p 3)

Mười Hải [MUWOWIF HAIR]

*Deputy Director of the Real Estate and Public Works Projects Service, Ho Chi Minh City; he coauthored an article on organizational changes in his sector in HCMC. (XAY DUNG Nov 83 p 1)

Nguyễn Văn Hiệu [NGUYEENX VAWN HIEEUJ] Professor, PhD

Alternate Member of the Central Committee of the VCP; Director of the Vietnam Institutes of Science; on 2 Nov 83 he attended a meeting marking the 5th anniversary of a friendship and cooperation treaty between the SRV and the USSR. (TO QUOC Nov 83 p 8)

Vũ Ngọc Minh [VUX NGOCJ MINH]

*Deputy Chief of the Gia Lam Airport Complex; he is in charge of construction of an airfield at Dien Bien Phu. (QUAN DOI NHAN DAN 9 Jan 84 p 3)

Đỗ Mười [DOOX MUWOWIF]

Member of the Political Bureau of the CPV Central Committee; Vice Chairman of the Council of Ministers; recently he went on an inspection tour of Lao Cai Mine. (NHAN DAN 2 Jan 84 p 1)

Vũ Văn Nhường [VUX VAWN NHUWOWNG], *Lieutenant Colonel

*Chief Air Defense Officer, Ha Nam Ninh Province; he was mentioned in an article on an air defense competition in his province. (QUAN DOI NHAN DAN 30 Dec 83 p 3)

Phạm Hữu Niên [PHAMJ HUWUX NIEEN]

*Acting President of the Hanoi Economics and Planning University; he was mentioned in the cited source in an article marking his university's 25th anniversary. (DAI DOAN KET 4 Jan 84 p 5)

Nguyễn Thanh Quang [NGUYEENX THANH QUANG], *Lieutenant Colonel

*Commander of the Ho Chi Minh City Military Police Group; his article on maintaining order and security in Ho Chi Minh City appeared in the cited source. (QUAN DOI NHAN DAN 28 Dec 83 p 2)

Lý Văn Sáu [LYS VAWN SAUS]

*Vice Chairman of the Vietnam-Cuba Friendship Association; on 30 Dec 83 he received a friendship delegation from Cuba. (NHAN DAN 31 Dec 83 p 1)

Đỗ Văn Thám [DOOX VAWN THAMS], *Lieutenant Colonel

*Commander of T.6 Regiment; he was mentioned in an article about his unit. (QUAN DOI NHAN DAN 13 Dec 83 p 2)

La Thăng [LA THAWNG]

*Secretary of the CPV Committee, Lang Son Province; his article on his province's economic development appeared in the cited source. (NHAN DAN 3 Jan 84 p 3)

Nguyễn Thuận [NGUYEENX THUAANJ], Colonel

*Deputy Chief of Staff, Engineer Branch; he was mentioned in an article about an engineer repair facility. (QUAN DOI NHAN DAN 4 Jan 84 p 4)

Nguyễn Thuận [NGUYEENX THUAANJ], Colonel

His article "Military Airfields in Modern Warfare" appeared in the cited source. (QUAN DOI NHAN DAN 11 Dec 83 p 2)

Nguyễn Vượng Thừa [NGUYEENX VUWOWNG THUWAF], *Lieutenant Colonel

*Commander of P.55 Regiment, "P" Corps; he was mentioned in an article about his unit. (QUAN DOI NHAN DAN 3 Jan 84 p 2)

Nguyễn Xuân Trạch [NGUYEENX XUAAN TRACHJ], *Lieutenant Colonel

*Acting Commander of the 532nd Truck Transportation Regiment; he was mentioned in an article about his unit. (QUAN DOI NHAN DAN 14 Dec 83 p 3)

Nguyễn Văn Tuấn [NGUYEENX VAWN TUAANS]

Director of the Real Estate and Public Works Projects Service, Ho Chi Minh City; his article on organizational changes in his sector in HCMC appeared in the cited source. (XAY DUNG Nov 83 p 1)

Phan Ngọc Tường [PHAN NGOCJ TUWOWNGF]

Alternate Member of the CPV Central Committee; Minister of Building; recently he was part of a group touring Lao Cai Mine with Politburo Member Do Muoi. (NHAN DAN 2 Jan 84 p 1)

Vũ Đình Ưông [VUX DINHF UOONG], Colonel, Deceased

Born in 1930; a high ranking cadre of the Rear Services General Department; he died on 28 Dec 83 at the 108th Military Hospital following an illness. (QUAN DOI NHAN DAN 30 Dec 83 p 4)

Nguyễn Thế Vinh [NGUYEENX THEES VINHF] Reverend Father Antoine DECEASED

Member of the Vietnam Fatherland Front Central Committee Presidium; former Chairman of the National Liaison Committee of Patriotic and Peace-loving Vietnamese Catholics; Chairman of the Committee for Solidarity of Patriotic Vietnamese Catholics; born on 6 Jun 1904 in Van Hai Village, Kim Son District, Ha Nam Ninh Province, he became a priest in 1936. At the time of his death, he was the resident priest in the town of Ninh Binh, of the Phat Diem congregation. In the 1940's he participated in revolutionary tasks and fought against French colonialists. He died on 18 Dec 83, succumbing to old age and serious illness. (NHAN DAN 20 Dec 83 pp 1, 4)

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